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East Europe

25 JUNE 1987

EAST EUROPE

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FRG JOURNAL REVIEWS CEMA STRAINS, WEAKNESS

Cologne DEUTSCHLAND ARCHIV in German Vol 20 No 4, Apr 87 (signed to press 26 Mar 87) pp 415-420

[Article by Dr Wolf Oschlies, research consultant at the Federal Institute for Research on the East and on International Studies in Cologne: "Is CEMA a 'Region of Reciprocal Revulsion'? Observations on Neighborly Relations Among 'Fraternal Countries'"]

[Text] In September 1986 the following was stated in a Bulgarian philosophical periodical: "The socialist community is the backbone of the socialist world system, its relatively healthiest part. Among the countries of this community, relations of solidarity, of fraternal cooperation, and comradely mutual assistance with due regard for equality and independence of each country exist and successfully develop. Harmony and coordinated action on the fundamental problems of the present social development are in evidence."¹

Sounds impressive, but in fact nonsense! If that were true, then the permanent presence of a total of roughly 600,000 Soviet soldiers in four countries of this "socialist community" would not be necessary--although the Soviets now admit that their 1968 attack on Czechoslovakia was an overreaction which blocked the general opportunity "to effectively utilize various beginnings and to promote new developments in the socialist experience."²

But the real problem is more deep-seated: The "socialist community" is an imposed alliance based on mutual ignorance, aversion, suspicion, prejudices, and bad experiences with one another. They don't know each other and they also don't like each other, the tense strangeness of the "fraternal countries" toward one another is always frightening, sometimes actually grotesque. In 1967 a Prague youth periodical questioned students from Leipzig, Warsaw, Bucharest, and Moscow concerning their knowledge of Czechoslovakia. It could be summarized in three words: Beer, Schwejk, Zatopek. In a second round of questions Czechoslovak students were questioned about Eastern Europe--their ignorance was similarly comprehensive.³

This hostile coexistence has also not been changed by the circumstance that practically all nations are present on the territory of the neighboring states through national minorities: From Poland to Yugoslavia state and ethnic borders do not coincide, so that each nation has members also in one or more adjoining states. This situation has not contributed to getting to know one another better but, on the contrary, has contributed to poisoning the climate by irredentist tendencies and territorial claims.

Without exception the East European countries developed after World War I from the aftermath of former empires or they expanded at the expense of their neighbors. As a result border "revisionism" or the fear of it became the driving force of all foreign policy in the interwar years. Concretely: In the Peace Treaty of Trianon, Hungary was reduced to one third of its original size--at the same time that Romania expanded enormously at the expense of Hungary and Russia. It is obvious that the two countries could not get together and are linked to this day by mutual dislike.

The term "to this day" is to be taken literally in this connection. Romania and Hungary war against one another up to the present with unimagined harshness; in this connection charges and allegations are voiced especially in national historical publications that are simply unbelievable for "fraternal countries." In 1982 the Romanian Ion Lancranjan published his "Cuvint despre Transsilvania" (Word on Transylvania) in which the Transylvanian Hungarians of the past are depicted as enemies and oppressors of the Romanians, those of today as irredentist chauvinists. Budapest felt the book to be a scientifically camouflaged declaration of war--typical of Romanian "politicians with a sick mind (...) who want to divert their people from real concerns." But the Hungarians did not leave it at that: in 1986 the three-volume, lavishly illustrated work "Erdely tortenete"(Transylvania's History) was published in Budapest that mercilessly tackled Romanian history myths. Hungary's best historians are the authors and Bela Kopeczi, the minister of culture of the Hungarian People's Republic, is the publisher!

At that time the East Europeans took refuge in a bewildering game of alliances, pacts, and ententes that promised false security for a time, but in the end became the trap by which all of them were dragged into World War II. Until then hardly any country had been able to even tackle its truly decisive tasks--to shape a unified state from heterogeneous regions, to create an inspiring national consciousness, to develop a viable economy. What had developed as a product of a Czech-Slovak, South-Slav etc sense of solidarity (a Czechoslovakia, a Yugoslavia, among others) after a few years ended up in tribal rivalry, political dictatorship, ethnic fights with national minorities, arrogance towards neighbors, self-deception with respect to powerful protectors and self-overestimation. All nations felt so-to-speak geographically displaced--

as "East Europe's Frenchmen," who, in terms of culture, belonged to some completely different place.

Smashed and destroyed, the countries after the war had the illusion that as partners of the Soviet Union they can follow "a path of their own to socialism." Actually their present and future soon was marked by Sovietization and insulation from one another and especially the latter continues to be frighteningly strong.

That is the depressing result of a discussion that was recently held among Polish experts: "(...) relatively least known to us are the peoples who are nearest to us."⁴ Political, ideological, economic, and military proximity of the states has not had the effect of bringing the people and the peoples closer to one another. On the contrary: Minute differences, political vicissitudes bring about the revival of tired prejudices. For example, all neighbors are convinced "that Poland has good movies and good posters," but that Poles have a very low opinion of work because they still continue to dream of "Master Poland" (Polska Panow). Conversely all Poles are convinced--something that was not brought up in this discussion but is a widely held view in Poland--that all their bad qualities are solely the result of Poland's affiliation with the Russian empire (1772-1918); from that period there remained "an aversion induced by the feeling of contempt that was transferred consciously or unconsciously to the entire Russian people," and this feeling exists up to the present.⁵

The special value of the conscious Polish debate consisted in that the participants in the talks examined the attitudes of all countries of the "socialist community" towards Poland--starting with the sacrosanct superpower Soviet Union. After 1944 Poland acquired the status as an "important ally"⁶--what is probably meant: in view of the West Germans--but with the emergence and later ban of "Solidarnosc" everything changed. For the Soviets, "the events of 1981 could cause only reactions of astonishment and disappointment and as a consequence of that a decline in confidence. The return to the old attitudes requires time and concrete evidence of a normalization of the situation in Poland."

Of course it can also be stated that the ordinary Soviet citizen had no idea what was happening in Poland and why, the media presented the events to the Soviet citizen as proof of Polish ingratitude. And the Soviet "astonishment and disappointment" has probably even increased after 1981, too, for "the Soviet Union may have difficulties in certain areas because of the absence of certain goods deliveries, also reverses in the field of technical cooperation."

In addition there are quite different Soviet attitudes towards Poland, for "in many Soviet circles we are decidedly respected as those who try to creatively overcome long outdated (...) schemes and recipes. I found

much evidence of the appreciation of Polish independence, feeling of dignity, national pride and the ability to express one's own opinion with courage."

The neighbor in the West, the GDR, is always being observed by Poland with attention. The mutual relationship started as a community of convenience: "From the start we treated the emergence of the GDR as a barrier against the rebirth of revisionist and revanchist forces in West Germany (...). The GDR needed Poland's moral support and real aid for attainment and confirmation of its positions in the struggle for its statehood."

Originally there was no lack of good will for making more than a marriage of convenience out of the proximity. Even specialists probably no longer know that the "H. Gerlach Society" was active in the GDR from 1948-1951, an organization "that had as its goal to foster good neighborly and friendly relations with the Polish people." Probably also forgotten--in German circles, not in Polish circles--is the fact that at that time German prisoners of war in Poland similarly advocated understanding.

But Poles and GDR citizens remained, relatively speaking, strangers to one another until the GDR opened the border in 1972, which triggered 16 million visits to and from in the same year. A springtime among nations appeared to be at hand: "The friendship, the hospitality of the Poles to the tourists from across the Odra, our free life, the freedom of our opinions, our feeling for humor, our romanticism was noted. I would say that this picture was a little bit idealized."

That is how nicely it went until about 1976. That is when the economic crisis occurred in Poland "as a result of which economically motivated travel of our compatriots to the GDR increased." The original Poland euphoria changed rather quickly, which was commented on cautiously by the discussion group. However, rather early, namely as early as in the late fall of 1980, broad circles of GDR society started to raise urgent questions and doubts whether the ways and methods which were to lead to the improvement of our country were realistic and useful. Political destabilization, the strikes making the material situation even more difficult met with rejection in the GDR and worsened the image of our country."

"Rejection," that is putting it mildly--it was worst anti-Polish demagoguery which was unleashed by GDR and Czechoslovak media at that time; it was not overlooked in Poland.⁷ And in the GDR, too, reasonable people soon had to notice whose business was conducted here--at that time suddenly jokes appeared in the GDR that nobody wanted to recall. Fascistic, chauvinistic jokes which represented the Poles as lazy, work-shy, parasitic, drunkards (...). These jokes were not told; they were passed

on by means of documents: They came from above, were launched in party bodies."⁸

Such well-poisoning was not staged with impunity. As "Solidarnosc" noted in a large-scale inventory of Poland in 1985, the political catastrophes of 1980/81 caused a double change in political thinking: The Poles once again remembered more their traditional Western ties--the West has learned to regard Poland as a political factor in Eastern Europe and as a potential West-East mediator.⁹ If such orientations bypass the GDR, the grief about that in Poland will be slight--where there has been a return to the old community of expediency with the GDR, but to ignore it if possible. Confirmation of this fact were the "Days of GDR Culture in Poland" of the end of October 1986: a somewhat weird event in which culture only provided window dressing for exploratory talks of SED Politburo members and in which GDR officials were permitted to appear in Polish media only if they had to admit their own mistakes in relation to Poland.¹⁰

There were, after all, times when the Soviets wanted to create an "iron triangle" consisting of Poland, Czechoslovakia and the GDR. In retrospect it is understandable why not much came of that, considering the potential partners from the Polish point of view. Compared to the GDR, what is the attitude of Czechoslovakia towards Poland? "The way of thinking there is similar."¹¹ That the Czechs are no special friends of the Poles is not new--interesting are only their motives for which Poles have a somewhat pained sympathy: "The Czechs view Poland with a dose of caution. Neither economically nor politically did any significant expectations link them to Poland in their history after World War II--different from the case of the GDR which required our support for the strengthening of its statehood. This problem did not exist here. The 300 years of German education, this respect for work brought about that the Czechs looked a little at Poland like looking at someone who lets himself be carried away by beautiful gestures but cannot work particularly well. This is also reflected in our economic contacts: For example, we have jointly taken on some task, they have involved themselves but we withdrew or neglected the cooperation (...) Czech society has not forgotten our inclination towards megalomania."

Three neighboring countries of Poland--three hostile strangers. Does Poland have friends in Eastern Europe at all, perhaps in Hungary? Poland and Hungary are generally regarded as "romantic" fighters and politicians who carry out a dispute with all their energy only after it is long lost--as was shown during the unrest and rebellions in 1956 in both countries. Things like that must create at least psychological closeness, must account for a so-to-speak suprapolitical special relationship, as the famous Polish saying indicates Polak--Wegier, dwa brantanki/i do bitki, i do szklanki--Pole--Hungarian, two brothers/ be it in battle or with the bottle!

Far from it! "The most reluctant relationship towards Poland among all socialist countries appears in the Hungarian mass media." This reflects a mutual relationship that was botched from the start. Since the mid-19th century Hungary was a member of the big power Austria-Hungary with equal rights, consequently politically and intellectually oriented towards the German area. Poland was not free and was francophile. The end of the war in 1918 permitted Poland to rise again--the Treaty of Versailles was given a highly positive assessment, the same treaty that made Hungary into an insignificant small state. World War II started in and around Poland, a war in which Hungary was on Hitler's side to the end in self-destructive faithfulness until death. After 1944/45 Poland and Hungary became silent satellites of the Soviet Union and in 1956 both tried to free themselves from this yoke.

In subsequent years there was a secret, occasionally participating interest of the Hungarians in Polish fortunes--interest that was not strong enough to brighten the Hungarian Poland image because the Poles did not take advantage of obvious opportunities. A Polish cultural offensive could have worked miracles but, aside from a few good movies, nothing happened there and the sole history of Poland now tangible in Hungary stems from the year 1962. And Warsaw cannot make up for lost opportunities--Hungarians in the meantime have access to Western cultural possessions without any problem so that they have developed a calm "snobizm" (snobbishness) toward Polish ones. That is the consequence of the fact that Hungary successfully started its economic reform--at a time when Poland under Gomulka was still fully engaged in the "struggle against revisionism." And the present situation?

"(...) among some Hungarians the basically erroneous conviction has developed that Hungary has provided us with significant food assistance, that it has paid our debts in the West, etc. Highly ill-advised TV programs and press articles have also reinforced the temporarily unfavorable picture of Poland. The female writer A. Gergely, e.g., in 1982 sharply criticized a TV cabaret in which Poland jokes at lowest level were dished out. Another matter is that the 'activity' of some of our tourists, which started in the seventies, that of the barterers, contributed to the worsening of the image of the Poles. I do not believe we are going to accomplish balancing the damages caused by the wave of these barterers to the image of Poland and the Poles through the dissemination of positive things, through effective promotion of Polish cultural possessions etc. However, (...) there are positive facts in the very good work results of Polish employees in various Hungarian enterprises who have proved, contrary to all stereotypes, that Poles can be good workers."

If the Poles view it correctly, then their country figures in the Hungarian media landscape merely as an occasion for ridicule: Hungarian

bestsellers on World War II fail to "mention a single word concerning Polish feats of arms or Polish martyrdom." In Hungarian works of the present, "the greatest Polish luminaries of the first decades of the 19th century are pictured as idiots and frauds" and the like.

And what about the more distant members of the "socialist community?" "There are countries where no political crises occurred--Romania or Bulgaria. Against this background Poland's image in the social consciousness of these countries repeatedly stands out negatively."

But not without reason is Poland the country where the impossible is in principle possible. Quite privately the Poles have found a means to subvert the hostile coexistence of their neighbors--the passport. Since the "Solidarnosc" crisis they need it anyhow even for travel to Eastern Europe and they get it with relative ease--regardless of the destination.¹² It is only possible to travel to capitalist foreign countries if one has foreign exchange and that is obtained in the "fraternal countries." Vacation travel is used to buy and sell and to convert the proceeds at the end in Western currency, "in which case no dollars should be bought because they could be counterfeit. It is better to take West German marks in small denominations." Such activity works best at Bulgarian Black Sea beaches: "The beach is one of the few places where it is possible to combine business with pleasure. Regardless of sunburn or sunstroke, Bulgarians, Poles, Germans, Czechs side by side bask under the sun on towels, mattresses, blankets or sheets. Among the naked ones of various nations, ours stand out, but especially by the topics of their conversations. There are general discussions on who, when, where, to whom, what and for how much has been sold, bought or exchanged. With the speed of computers, leva are converted into zloty, zloty into marks, dollars or Swedish kronor. Local black marketeers with practiced eye find the Poles among the naked crowd. They generally come to terms in a low voice. Foreign currency transactions are in most cases handled someplace else."¹³

Even though "internationalist" black marketeering may level out the border-crossing animosities on a small scale--on international level they can only grow in the future. The main reason for that is the fact that the Soviet Union less than ever makes a move to give a free hand to its "fraternal countries"--the new CPSU program rather stresses the "integrating" and "coordinating" elements of policy and economics of the "socialist community."¹⁴ On the other hand, Eastern Europe slowly recognizes that coordination cannot be achieved by pressing a button: economic level, technical standard, political mechanisms, national traditions, subjective decisions of the individual power elites--all that and much more is so different and necessarily will increasingly develop apart that the aimed-for "integration" in final analysis becomes a mirage.¹⁵ After all, these countries are integrated only in their growing lag compared with Western industrial nations and in the

ecological dangers which they inflict on their neighbors and themselves. Of course, once more Poland is the community whipping boy. If this country alone [presumably the FRG] surveys the sulfur dioxide pollution of its atmosphere, then the Polish share in it in 1990 will be 7.3 million tons; the Czechoslovak share, 4.7 million tons; and the GDR share, 10 million tons of "exported" air pollution; 9.1 million tons of Polish, 5.9 million tons of Czechoslovak, and 14.7 million tons of SO pollution from the GDR are probable for the year 2000.¹⁶ But that is only one area of involuntary pollution import from "fraternal countries." Agreements to keep clean border-crossing waters were concluded by Poland, e.g., as early as 1958 with Czechoslovakia, in 1964 with the Soviet Union, and in 1965 with the GDR. Thus far these agreements have been of little use and the latest oil pollution on 9 November 1986 drifted from the Czech Ostrava along the Odra, where a "group to combat extraordinary environmental threats" and army engineer units were helpless in the face of it.¹⁷

"What is CEMA based on?", a joke told all over Eastern Europe asks. The answer: "On the freedom of the GDR, on Polish order, on Soviet justice, on Czech courage, on Romanian honesty, and Bulgarian intellect and--on the Hungarian language."

FOOTNOTES

1. Vasil Vankov: "Zakonomernostite vav vzaimootnosenijata meadu socialisticeskite strani i tjachnata projava v socialisticeskata obstnost" (The Laws in the Relations Among the Socialist Countries and Their Manifestations in the Socialist Society), in: FILOSOFSKA MISAL, No. 9/1986, pp 33-44.
2. Evgenij Ambarzumov (Interview): "Da Krusciov a Gorbaciov" (From Krushchev to Gorbachev), in RINASCITA No. 42, 1 Nov 86, p 18.
3. Dusan Barbec, Karel Zeman: "Co o nas vedi" (What They Know About Us) in MY, No.6/1967, pp 5-8; same authors: "A co o nich vime my" (And What we Know About Ourselves), in: MY, No. 7/1967, pp 5-8.
4. "Polska w opinii krajow sasiednich" (Poland in the Opinion of the Neighboring Countries), in: SPRAWY MIEDZYNARODOWE, No. 4/1986, pp 133-152.
5. Stefan Kieniewicz: "Wplyw zaboru rosyjskiego na swiadomosc spoleczenstwa polskiego" (The Influence of the Russian Annexation on the Consciousness of the Polish Society), in: "Dziedzictwo zaborow -- Wybor tekstow" (The Heritage of the Annexations--Selections from the Text), Warsaw 1983, pp 163-168.
6. The following quotations from op. cit. (footnote 4).

7. Cf. Donald Tusk "Co wiedza o nas sasiedzi?" (What Do the Neighbors Know About Us) in: DZIENNIK BALTYCKI, 2 Mar 81;; H(enryk) Zdan(owski):: "Wspolny mianownik--niepokoj" (Common Denominator--Unrest) in: POLITYKA, No. 15, 11 Apr 81.
8. Clement de Wroblewski: "Wherever we Are is the Front--The Political Joke in the GDR," Hamburg/Zurich 1986, p 40.
9. Lech Walesa (Editor): Raport--Polska 5 lat po Sierpniu" (Report--Poland Five Years After the August), London 1986, p 354.
10. Cf. Peter Lorf (Interview): "'Halka' w Berlinie, w Warszawie Wagner" ([The Polish National Opera] 'Halka' in Berlin, Wagner in Warsaw) in PERSPEKTYWY, No. 44, 31 Oct 86.
11. The following quotations from op. cit (footnote 4).
12. Cf. Wojciech Kowalec (Interview): "Za granica z 'Orbisem'" (Abroad With 'Orbis'), in: GAZETA POMORSKA, 7-8 Apr 84.
13. Harcon Zepel: "Dolar za 25 tysiecy--Korespondencja z Bulgarii" (A Dollar for 25,000), in: PRAWO I ZYCIE, No. 44, 1 Nov 86.
14. Text of the program in: KOMMUNIST No. 4/1986, pp 99-152.
15. Stojan Petrov: "Charmonicno sacetavane na nacionalno-darzavnite i internacionalnite interesi na socialisticeskite strani" (A Harmonic Adjustment of National-state and International Interests of the Socialist Countries): in: FILOSOFSKA MISAL, No. 2/1986, pp 7-18.
16. Stefan Jarzebski: "O srodowisku naturalnym bez emocji" (Emotionless About the Natural Environment), in: POLITYKA, 12 Oct 85.
17. Marek Henzler: "Czeski mazut w Odrze" (Czech Oil Pollution in the Odra), in: POLITYKA, 22 Nov 86.

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VATICAN'S NEGOTIATIONS WITH REGIME DESCRIBED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 6 May 87 p 10

[Article by Petr Cirkev: "Whom and What the Papal Nuncio Gets to See in Prague"]

[Text] The Holy See waited for a long time until the Prague government condescended to receive in Prague Archbishop Colasuonno of the Papal Council for Public Affairs of the Church, the "flying nuncio" and successor to Archbishop Poggi. It became a kind of "first visit," probably one Prague had not been looking forward to; no working session had been planned, the whole thing had an "informal" character, as the official agencies later emphasized. However, the length of the stay of the Roman guest in Czechoslovakia from 19 to 26 January cannot be interpreted as a sign that practical matters were discussed.

It can be assumed that the Vatican had been waiting for this opportunity since 5 July 1985. At that time a papal delegation had arrived in Prague on the occasion of the celebration of St. Methodius. As early as during the initial formal call of Cardinal State Secretary Casaroli on General Secretary and State President Husak, hope was aroused in the country for an early favorable agreement concerning new bishops. But an intransigent and short-sighted group in the Prague party leadership appears to have quickly prevailed; first indications of that came the very next day, 6 July, when the Roman guests met for talks with representatives of the government and of the church administration. However, the Holy See apparently did not wait in silence until a positive sign was heard from Prague. At any rate statements made by the Pope on his return flight from the Seychelles last year lead to this conclusion. In response to a direct question by a reporter, he said at an impromptu press conference that the Holy See had pointed out to Prague "in many and different ways" its demand for real freedom of religion in Czechoslovakia for the Catholics and not only for them.

But even before and talks started now there was a surprise for alert observers and experts on the Prague scene that does not lose importance even though one person or another recalls that something like it had happened also years ago: Archbishop Colasuonno appeared for his "first

visit" in Prague without the Vatican department director and outstanding expert of the situation in Czechoslovakia, John Bukovsky, who had always accompanied Casaroli and Poggi for talks in Prague. This time the Roman nuncio was accompanied only by the Czech Monsignor Lastovica, a priest of the Brno diocese, who, after the events in February 1948, for understandable reasons preferred not to return to his homeland after the completion of his studies and has been active for years in the Roman Congregation for the Regular Clergy. But now in Prague he only had the function of an interpreter.

It could not remain secret that this change in companion was made at the express request of Prague, which the Holy See felt it ought to meet so as not to endanger the trip. However, the smile and the somewhat derisive grinning among the men of diplomacy, who expressed their own thoughts on this matter, could also not remain secret. What may be the reason for this demand by the Prague government? Either it wanted to exclude the expert on account of his concrete references to the actual reality or it indicated a general unsureness.

In Czechoslovakia a wider public did not find out about the visit from Rome until 8 February from an identical brief report--however, the date was missing--of the two "Catholic newspapers" of the country, the Czech newspaper appears in Prague, the Slovak in Bratislava.

On 1 March the two papers brought an identical lengthier report which listed where the guests were introduced but without anything as to the content of the talks. Thus the public found out only the names of the men whom the Roman guests had met: Church Office Director Janku, Minister of Culture Valek from Bratislava (his Czech colleague was ill) and shortly before the departure--Deputy Prime Minister Lucan. The Diocesan administrators, too, were included in a meeting. Different from 1984 when Archbishop Poggi and his escort Bugovsky were housed in a government guest house--a former castle south of Prague near Tabor--and had no opportunity for confidential conversations with the bishops of the country, this time Nuncio Colasuonno visited the bishops in their residence cities; only Bishop Gabris, who was ill, had to be visited in an infirmary. The two newspapers also duly pointed out that Archbishop Colasuonno had held a talk with the chairman of the "Pacem in Terris" association of priests. Probably deliberately the government had planned this meeting with Professor Vymetal to demonstrate especially to the Catholic clergy the "importance" of the association, which meanwhile has become insignificant, and thus restore some of its lost prestige.

The two "Catholic newspapers" mentioned--without providing names--also "other church representatives" whom the Roman guest is said to have met. However, it must be assumed with great probability that none of the priests that were removed from office and compulsorily retired nor anyone of the old and intimidated priests had the opportunity to speak with the

Papal Nuncio. Instead it was mentioned that the guest had been "familiarized with the meritorious work of the association of priests under the leadership and with the support of the Diocesan administrators." This is to be regarded as a hint from whom the report originates, who is behind it, and why it was written. The things bishops, priests, members of orders and the faithful expected were left out. It was expressly stated the "informal visit" was (only) supposed to serve the purpose of making it possible for the guest to obtain "a deeper understanding for the life of the Roman Catholic Church in Czechoslovakia" in which "the faithful actively participate in the building of their homeland." The Prague government and especially the party leadership must ask themselves whether they are really interested in granting to the Church in their sphere of power freedom of religion and faith so frequently promised to the faithful and genuine and unhindered opportunity for the mission of the Church. The hosts had only "talks" in mind, not negotiations on questions which interest the Church, its faithful and concerning its top leadership.

"Negotiations" in the sense of the Prague interpretation last took place in 1980. Shouldn't the subsequent "talks" and "encounters" rather be called babbling designed to serve especially the good political atmosphere in Western countries, especially where clearly economic, financial policy interests are in the foreground? In that respect nothing is changed by statement of top party and government representatives traveling abroad when they tell eagerly listening reporters with feigned conviction that the Holy See is free to appoint new bishops for the country but conceal the fact that only men of the leadership team of the Church-banned association of priests, which is artificially kept alive by party and state, are acceptable.

How "informal" the atmosphere in the talks must have been becomes evident from the fact that the Papal Nuncio was not even able to visit one of the two seminaries. The Nuncio was forbidden to enter there. Was this dictated by the fear of the influence of the Pope's representative on the young theologians?

Nevertheless the Nuncio's visit to Prague was not useless. He was able to form a picture of the confused situation of the Church in Czechoslovakia, saw himself confronted by the maneuvering and aimless attitude of some churchmen who believe they can hope for salvation of the Church by undignified loyalty towards the regime. He, however, experienced how frighteningly little room for maneuver there was for the Church of this country to operate.

In Church policy it is likely, as so frequently in the past in decisive hours, that everything will be dictated for the Czech people--the Slovaks consider themselves included here--indecisive and anxiously waiting, this time for Gorbachev whether and in what direction signs from Moscow become evident. However, even now that appears to cause apprehension among some high party functionaries, especially from Bilak's ideological corner, for it has not been forgotten that during the "Prague Spring" the religious part of the Czech and Slovak population also made demands.

POLITBURO RESOLUTION ON 1987 PARTY ELECTIONS

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["SED Central Committee Politburo Resolution of 5 May 1987: Report on 1987 Party Elections in SED Basic Organizations," entitled "Party Elections--a Matter of the Entire People"]

[Text] In accordance with the resolution of the Third SED Central Committee Session, in the period between 2 March and 26 April 1987 accountability reports were submitted and elections were held in the 96,006 party groups, the 28,983 departmental party organizations and the 54,471 basic organizations which are not divided into departmental party organizations. They showed that the SED, equipped with the scientifically founded strategy of its 11th Party Congress, is acting uniformly and coherently, that it has enhanced its leading role in all social spheres, and that close and trusting relations exist between the party and the people.

The party elections took place at a high political, ideological, and organizational level, which was determined by the decisive speech of Comrade Erich Honecker, general secretary of the SED Central Committee, before the first secretaries of the SED kreis leaderships. His statements met with broad resonance in the party and among the working people, equipped the communists for the further implementation of the congress resolutions, and mobilized the party and work collectives for new initiatives to fulfill and overfulfill the 1987 national economic plan.

Election Meetings Demonstrated High Level of Intraparty Democracy

The GDR's 2.3 million communists emphatically embraced the party's policy with concrete deeds. The election meetings reflected their complete confidence in the party leadership, their respect and appreciation for Erich Honecker, and for his untiring efforts to enhance peace and socialism. The party elections strengthened the fighting power of the basic organizations because the Communists thoroughly familiarized themselves with the party's current tasks, because they assumed greater responsibility for their ideological work, and because the party collectives closed ranks in their efforts to work out attractive targets. The elections were a period of great activity for the communists and working people in their implementation of the party resolutions. This and the lively discussion of questions that concern the working people made the elections something that involved the entire people.

The election meetings demonstrated the high level of intraparty democracy, the pride of the communists in the dynamic economic growth and the GDR's important sociopolitical achievements, as well as their determination to make their own contribution to continuing the proven economic and social policy.

The large number of communists that took part in the election meetings was an expression of vivid intraparty democracy and conscious discipline, and documented the close ties with the party. In the party groups the communists' attendance was 94.6 percent, in the departmental party organizations 94.9 percent, and in the basic organizations it was 94.0 percent.

Important Maturing Process Within the Party Since the 11th Party Congress

The willingness to take part in discussions that has risen in comparison with previous party elections shows the communists' active participation in preparing and implementing party policy. The discussions were marked by a critical and self-critical position concerning the utilization of the resources of every individual party member, with regard to higher demands on the political attitude, personal models, and social activity of every member.

A total of 697,360 comrades, including 357,746 workers, 36,960 cooperative peasants, 208,510 members of the intelligentsia, 195,260 women, and 66,249 party members up to the age of 25 spoke in the election meetings of the basic organizations and departmental party organizations. In the party groups, nearly 70 percent of all comrades spoke, and in the meetings of the departmental party organizations and basic organizations every third participant spoke.

The accountability reports, the knowledge and commitment of the communists in the discussions, and the resolutions adopted at the election meetings are proof of the significance of the maturing process that has been taking place within the party since the 11th Party Congress.

This was also demonstrated by the great attention of the party members and candidate members and of all citizens devoted to the intense struggle to bring about a change toward disarmament and by their openness to all issues of social development in the GDR. The discussion focused mainly on the question of how to increase the political efficiency of every communist, on the general application of the working experiences and fighting positions of the best, the creative effort to improve efficiency in all spheres of production and social life, and on accountable stipulations for completing the militant programs. For this purpose, 420,000 proposals and suggestions were submitted at the election meetings.

At the election meetings, the members and candidate members unanimously confirmed the indestructible fraternal alliance with the CPSU and the Soviet Union and wished the Soviet communists much success in implementing the resolutions of the 27th CPSU Congress. The communists and all working people of the GDR are preparing for the 70th anniversary of the Great October Socialist Revolution with new deeds in order to implement the resolutions of the 11th SED Congress.

This maturing process manifests itself also

--in the uniform, coherent actions of all party organizations on the basis of the Central Committee resolutions, including the party groups, and in the communists' deep understanding for the party's overall policy;

--in the internationalist responsibility of the comrades for strengthening socialism and in the support for the policy of dialogue aimed at creating a worldwide coalition of all reasonable and realistic forces to avert a nuclear disaster;

--in the party's acquired ability to lead the masses and to learn from them. The communists have intensified their work in the social organizations and many other democratic bodies. Almost every one of the 2,322,175 party members and candidate members holds one or more honorary positions outside his party organization. Nearly 770,000 members are active as trade union officials in the initiative-rich implementation of the economic and social policy, and more than 200,000 are doing valuable work as leaders of the youth association and as circle leaders in the FDJ training year;

--in the ability of a larger number of basic organizations to lead the development and application of key technologies and the renewal of products and methods in a qualified political manner, thus obtaining good economic and social results. Nearly 700,000 comrades take part in voluntary work groups and commissions of the party leadership, in research collectives, as well as in temporary party activists where they participate in designing, carrying out, and monitoring measures concerning scientific-technical progress and speed up the race against time;

--in the deep understanding of the consequences of the 11th SED congress decision that says that the unity of economic and social policy is the party's main field of activity. The election meetings, in close connection with the high performance targets, focused to an unprecedented extent on the working people's legitimate concerns, and urged with great authority that they be dealt with. Many basic organizations are creating a good atmosphere in which ideas, initiatives and proposals flourish and are realized.

Composition of the New Leaderships Ensures Continuity and Improved Quality of Party Work

The composition of the new leaderships and the newly-elected party group organizers and their deputies ensure the continuity and improved quality of party work. The Politburo resolution on "Experiences in Selecting, Developing and Equipping Cadres for the Implementation of the 11th SED Congress Decisions" was of great help in preparing the party elections and increased their purposefulness.

A total of 405,378 party members were elected to the new leaderships, and 192,012 were elected as party group organizers or deputies.

Some 99.3 percent of the party secretaries of the basic organizations without departmental party organizations and of the departmental party organizations, hold their positions on a honorary basis.

The proportion of workers in the leaderships is 54.4 percent, and 35.7 percent of the leadership members are employed in material production.

The proportion of young comrades under 25 years of age is 8.8 percent; 40.5 percent of the leadership members have been party members for over 20 years.

The proportion of female comrades in the leaderships is 33.7 percent and 20,916 female comrades are holding the position of party secretaries.

The education level of the party secretaries and leadership members has continued to rise, with 78.7 percent of the secretaries and 53.8 percent of the leadership members having graduated from a university or technical school.

Since the 11th SED Congress the proportion of leadership members who attended a party college rose 2.1 percent and stands at 75.6 percent. In the case of the basic organizations' party secretaries, this figure rose to 88.3 percent.

This year's elections have again shown a high degree of stability in the leaderships of the basic organizations; 78.7 percent of the leadership members and 80.3 percent of the party secretaries were reelected. The changes are in keeping with the normal process within the party and led to a further qualitative strengthening of the leading organs.

In the last election period 15,425 secretaries resigned from the basic organizations and departmental party organizations, 53.8 percent of which assumed other functions or joined a different basic organization; 4.5 withdrew their candidacy because they took up studies and 33.1 percent resigned for reasons of health or old age. Some 8.6 percent were not renominated for election because they were not adequately qualified for the job or were inactive.

The new leaderships were elected by secret ballot on the basis of the party statute and the Central Committee's election regulations. In 7.7 percent of the basic organizations and departmental party organizations the nominated leaderships were elected unanimously.

In 2,166 basic organizations and departmental party organizations, a total of 8,922 dissenting votes--corresponding to 0.42 percent--were cast.

At the election meetings 12 candidates for the new leaderships were rejected because their behavior was not exemplary and they did not take proposals and critical statements into account, like the party secretary in the basic organization of the VEB Furniture Works, Nordhausen, who neglected legitimate suggestions and critical statements of the working people.

With the Party Elections the Party's Basic Organizations Have Further Proved Themselves to be Lively Centers of Political Life

The election meetings once more clearly showed that the communists are the most determined representatives of the interests of the entire people and fighters for social progress. They raised their voice passionately for disarmament and peace.

The discussions in the elections meetings and the talks in the work collectives and residential areas document the complete agreement between the party and all working people in the striving for radical disarmament in the nuclear and conventional areas. The proposals of the Soviet Union, the GDR, and the other socialist countries are fully approved as a solid foundation for concrete agreements. There is optimism that it will be possible to start the process of eliminating nuclear weapons, although this will require a protracted, hard, and complicated struggle. The proposal of Mikhail Gorbachev, general secretary of the CPSU Central Committee, for the elimination of intermediate-range nuclear missiles in Europe was considered an important step in this direction.

Unanimous approval was given to Comrade Erich Honecker's appeal to the FRG chancellor to agree on the two German states' own measures to support an agreement on the elimination of the intermediate-range missiles. Numerous speakers in the discussions welcomed the announcement that both FRG Government and the GDR Government will support the elimination of intermediate-range missiles in Europe without any ifs or buts. Comrade Erich Honecker's proposals for the establishment of a nuclear-free corridor in central Europe, which was submitted to the FRG as a joint GDR-CSSR initiative, meets with full agreement.

The feeling of solidarity for the peoples in Nicaragua, South Africa, Chile, Afghanistan, Palestine, and others in the struggle against internal and external terrorism, for the right to self-determination, democracy, social progress, and for the free choice of their path of national development is deeply rooted.

The Comrades Were Comprehensively Equipped with the Good Record of Achievements Reached Since the Eighth Party Congress

The party elections were an opportunity to acquaint the comrades thoroughly with the good record of achievements since the Eighth Party Congress. In many regions and enterprises the managements presented documentation on the development in their own spheres. In the communists' opinion, the considerable increase of children's allowances as of 1 May is further proof for the social effectiveness of the SED's sociopolitical and economic strategy. In the party assemblies, the conviction that socialism is able to solve all questions in the interest of the people proved to be a lasting motivation for the communists' social activities. They called security, protection, and manifold opportunities for personal development in socialism the only alternative in keeping with human dignity to the cutbacks in social benefits and democracy, the increasing unemployment, and the poverty in the developed socialist countries.

Statements on Berlin's jubilee showed pride that Berlin is celebrating its 750th anniversary as a city of peace, as a venue for meetings and dialogue, as well as a symbol of socialist construction in the GDR.

A great many comrades affirmed their readiness to explain the party's policy more intensively in political talks in their work collectives and residential areas. The main concern of the party collectives was to let the achievement-promoting slogan "My workplace--my combat station for peace" initiate new personal pledges. In line with the basic concern of the party elections, the businesslike and realistic assessment of the results in implementing the party decisions and plan tasks went hand in hand with the assessment of the contributions of the individual comrades. Matters were discussed in detail, exact accountability reports were given on how party assignments and pledges were fulfilled, praise was given, comparisons were made, and unsatisfactory things were clearly spelled out. As a result, the election meetings acquired a high educational value with regard to observing the duties of a communist which are set down in the party statute. Party-mindedness, militancy, personal responsibility, and readiness to take risks were seen more clearly. The claim of "where there is a comrade there is a party" was demonstrated more effectively. Personal talks held in many basic organizations in preparation for the party elections had a tangible effect on this.

The Party Collectives, Together with All Working People, Are Resourcefully Struggling for Higher Growth in National Economic Performance

The party elections in the 23,044 basic organizations in the construction and transport sectors, in the trade and service institutions, as well as in agriculture, forestry, and in the foodstuffs industry demonstrated the determination of the party and work collectives to work energetically to make for their own, higher contribution to implementing the SED's economic strategy.

The clear militant positions and important political activities of the 1.1 million communists in the national economic sectors enabled many party organizations to report in their election meetings on fulfilled plans or achieved plan leads, as, for instance, in the Berlin Television Electronics Works, where during the first quarter of the year the national economic plan was proportionately fulfilled with 28.1 percent and where an extra M0.7 million worth of optoelectronic semiconductor component parts and 680 additional color-television tubes were produced. In this connection, the party leaderships paid tribute in their accountability reports to the achievements accomplished at the beginning of the year in the selfless struggle against the inclemencies of the weather and to the efforts of the work collectives to make up for production outages caused by this.

With a great number of new pledges from the work collectives, which were inspired by the party organizations in the course of the party elections, the competition movement "high performances for the benefit of the people and for peace--everything to implement the decisions of the 11th SED Congress" received a visible impetus. The projects are basically directed at the higher yardsticks set by the Congress and go in part considerably beyond former targets. They are clearly characterized by the willingness to fulfill the tasks of the

1987 national economic plan in all parts and with regard to the key targets as well as to overfulfill it as regards important products.

Strong stimuli for this were given by this year's Leipzig seminar of the SED Central Committee with the directors general of the combines and with the Central Committee party organizers. The party collectives in the VEB "Banner of Freedom" in Weissenfels, for instance, agreed with their fellow-workers to produce 915,000 pairs of children's shoes in excess of the plan this year as their contribution to fulfilling the pledge given in Leipzig by the shoe combine.

The more than 3,500 letters to the SED Central Committee and the decisions of the election meetings to supplement the militant programs of the party organizations reflect the consolidated knowledge that the required higher performance dynamism makes it imperative to intensify all economic processes in an ever more comprehensive way and to create durable foundations for this.

Acceleration of Economic-Technological Progress Is Essential in Order to Steadily Continue the Successful Course of Unity of Economic and Social Policy

The election meetings, characterized by technical knowledge, economic far-sightedness, and constructiveness have deepened the conviction that the acceleration of scientific-technological progress, in particular in micro-electronics, is essential in order to steadily continue our successful course of unity of economic and social policy, to ensure, in the future as well, the high standard of living we have achieved for all citizens, and to maintain the GDR's place among the world's leading industrial nations.

The engineers, designers, innovators, and rationalizers, in particular in research, development, and technology, showed more strongly than in previous party elections the effort to acquire and uncompromisingly apply the best modern scientific-technological insights in line with international standards. In many election meetings these problems were the subject of creative debate and--where necessary--reservations, incidents of self-satisfaction and of retreating in view of difficulties were dealt with.

Many young comrades, in particular members of the 45,654 youth brigades and the 5,206 youth research collectives, affirmed in their contributions that they consider the increasing application of science and technology to production a personal challenge to them to improve their qualifications and accept ambitious tasks. The fact that the party's corresponding guideline is bearing rich fruit in many places is impressively demonstrated by such collectives as the "Computer-Aided Analytics" youth research collective of Jena's Friedrich Schiller University, for instance, which, together with young engineers and workers from the Hermsdorf Ceramics Factory Combine, is dedicating itself to the application of special mathematical methods of data interpretation to ensure the quality of new ceramics materials and has been able to provide the relevant software for its partners in industry within an extremely short period.

By using such proven action slogans as "The Best Achievements in the Shortest Time," "More Efficient in Less Time," "Competition 87--we're moving fast," and others, many election meetings provided stimuli to the struggle for a higher degree of renewal in introducing modern products and highly productive technologies, as, for instance, in the VEB Special Building Combine in Magdeburg with regard to the application of CAD solutions for "uncased concrete pile foundations" and "industrial paintings," as a result of which the time for technical production preparation was cut by 30 percent, construction input was reduced by 10 percent, and four employees were freed per workstation.

Increasingly Closer Relations Between Scientific Institutions and Enterprises Led to Excellent Results

The election meetings proved convincingly that more and more such ways of thinking and behavior are having an effect with regard to consistently engaging in comparative performance appraisal, orienting oneself to maximum performances, applying best values in a binding way, tackling problems with new approaches, and utilizing the available material and intellectual potential even better. In this process it became increasingly clear that the further development of the combines' and enterprises' own production of rationalization equipment in terms of quantity and quality is the decisive way to implement intensively expanded reproduction, which also creates the preconditions to increase labor productivity while at the same time improving the working and living conditions in those enterprises where production is still partly carried out by means of hard physical labor.

As the accountability election meetings in the academy institutes, universities, colleges, and research centers as well as in the enterprises and cooperatives proved, the relations between scientific institutions and enterprises in the various economic sectors have increasingly become closer and have yielded excellent results. The discussions of scientists, researchers, and practical workers clearly demonstrated the great open-mindedness and the dedication of all people involved to achieve to products with a high economic effect by means of fruitful team work.

The election meetings at the universities, colleges, and technical colleges of the GDR made a creative contribution to further increasing the efficiency of scientific work in education, basic and advanced training, and research and to linking science and production more closely.

The meetings at the Berlin Humboldt University focused on militant positions and experiences of the collectives which participated in the 46 research projects that were honored as scientific top performances and socially important achievements in the first year after the 11th Party Congress.

In Dresden Bezirk 61 coordination contracts between the Technical University or the colleges and their partners in practical work, which are supported by 467 performance contracts, deepened considerably the cooperation between science and production. The election meetings promoted the attitude that the scientist is responsible until his research results become effective in production.

The comrades of the Technology and Electrical Engineering Section of Magdeburg University evaluated experiences of the development of the university-industry complex and discussed how, in addition to the "Ernst Thaelmann" Heavy Machine Building Combine, other combines should actively participate in this project. Great attention was paid to the task of purposefully continuing broad training of all students in information technology and CAD/CAM technology.

In the student party groups the ensuring of high discipline and achievements in their studies, the further shaping of the scientific-productive studies, and the party-oriented guiding of the student competition in preparation for the 1987 Central Achievement Exhibition of the students and young scientists in Leipzig played a great role.

The further deepening of socialist economic integration with all CEMA member states was discussed in many election meetings as a top priority political-strategic issue.

The realization that high product quality and durability is the pivotal point for economic efficiency, for supply to the population in line with demand, and for fulfilling the export tasks has given rise to conclusions for purposeful ideological work as well as to practical consequences. These are directed at enforcing more energetically the observance of technological discipline and quality standards and at not permitting the struggle to overfulfill the plan and reduce production input result in quality losses. In this connection, there has been repeated criticism with regard to observing order, cleanliness, and safety in enterprise operations.

"Full Production With Less Energy," Zeiss Initiative Is Spreading

The party elections considerably contributed to spreading the initiative of the working people in the Carl Zeiss Jena VEB--"Full Production With Less Energy." Thus, the party collectives in the Leipzig Gear Works initiated the pledge to save 1 percent of the annual quota of "electrical work" and 5 percent of the monthly share of electricity in 1987. In election meetings the responsible attitude of the 855 members of the youth association, who have to date started working in the "Economic use of energy" FDJ initiative for modernization and reconstruction of power plant installations, was also stressed.

Many of the about 98,000 comrades working in the Chamber of Technology contributed noteworthy results and experiences of their honorary work to enrich the discussion about the struggle for scientific-technological top achievements, for highly economical use of the funds, and for the reduction of costs. The valuable contribution of the 3,600 enterprise sections of the socialist engineers association to qualify the cadres in training courses and inventors' schools was expressly appreciated in various cases.

Proceeding from their responsibility for a high growth in economic performance, the comrades in enterprises are critically dealing with plan backlogs, which frequently result in special shifts. Here it was a characteristic feature

that even in enterprises, where the rhythm of production has been upset for quite some time, people were not just waiting but discussed constructive solutions to reduce down times and waiting times through exact production organization and to continuously achieve high performances per work day.

Increasing Attention Is Paid to the Political Climate in Work Collectives, to Social Concerns, and a Work Style Close to the Citizens

The party organizations are paying increasing attention to the political climate in the work collectives and to the social concerns of the working people. They are exerting an increasing influence on the deepening of the trusting relationship between the state managers and the working people and on the fact that all enterprise affairs are openly discussed with the working people, that their proposals and suggestions are immediately considered and quickly used.

In many election meetings it was proved with concrete facts that through the personal dedication of the managers and the comradely cooperation with the collectives much can be done with the enterprises' own resources to improve the working and living conditions and to create a good atmosphere within the enterprise.

Due to critical suggestions in the VEB Mechanical Toys, Brandenburg, supply to night-shift workers was improved as a result of the party elections, as was the quality of meals in the panel factory. Justified requests by working people from the "Friedrich Engels" Chemical Fiber Works, Premnitz, with regard to commuter traffic were fulfilled. In the VEB Furniture Factory, Gardelegen, the working people's suggestions led to concrete stipulations to renovate the obsolete shavings exhauster with the factory's own rationalization means and to use package stackers in the enterprise's shipping department in order to eliminate work hardships.

Going beyond the discussion of sociopolitical questions in the enterprises, the deliberations also reflected the concern of the comrades with regard to creating the conditions necessary for solving these questions within the region. Correspondingly, this concern was the focal point of the discussions in the party organizations of the local state organs, the transport authorities, and all supply installations.

The election meetings in the basic organizations of the state organs were characterized by the serious struggle for a work style close to the citizens and for comprehensive management and planning in social development. The comrades in the local organs carefully studied how the long-term conceptual work is put into practice for the development and utilization of the social work potential, for the application of the key technologies, for the kreis-administered construction sector, and for supply of fresh goods to the population, as in Torgau Kreis, for instance. The election meetings revealed further possibilities to tap additional resources for performance increase and the welfare of the citizens through socialist team work of the local councils with the enterprises and institutions.

Reliable Protection of Worker-Peasant Power

The party organizations in the National People's Army [NVA], in the Border Troops, in the Ministry of State Security and in the Ministry of the Interior, in the customs administration, and in civil defense are aiming all initiatives at mastering the demanding requirements of national defense, state security, and public order and at effectively protecting peace. They accepted many new projects for comprehensive intensification in the military area. The main goal of the work of the comrades in the NVA and the border troops is a level of fighting strength and combat readiness which contributes to enabling the socialist defense alliance to maintain the military-strategic balance. With the accountability election meetings the party members were stimulated to achieve exemplary performances in training, in combat duty and border service, and in the ready-alert system. The communists in the offices of the Ministry of State Security constructively discussed their contribution to strengthening the worker-peasant power under all conditions and to reliably protecting it against subversive attacks by the enemies of socialism. With their class-minded actions they want to contribute to further strengthening the trust of the working people in the socialist state and to supporting the party's economic and social policy. The accountability election meetings in the People's Police and the other organs of the Ministry of the Interior were characterized by the firm will of the party members to protect the socialist system and the peaceful life of our people. They paid much attention to the basic concern of their work, that is, to ensure, together with the citizens, high public order and safety and thus the protection and well-being of the people.

The election meetings paid high tribute to the exemplary commitment of the comrades in the workers militias. The comrades fighters reported on varied initiatives for the preparation of the 35th anniversary of the founding of the workers militia.

Party Elections in LPG's and State Farms Were Expert Exchanges of Views and Experiences

Following the broad democratic discussion in the annual general meeting and in the kreis peasants conferences on the draft resolution for the 13th Peasants Congress, the party elections in the basic organizations of the LPG's and state farms were an expert, fruitful exchange of views and experiences with the goal to stabilize and further expand last year's high yields and the achievements in livestock production. They consolidated the attitude that socialist intensification in agriculture makes the even closer link between science and practical peasants' work indispensable and that the readiness for work and the initiative of every cooperative peasant and every working person in agriculture must be used for this purpose. Like the comrades in the Bandelstorf state farm, Rostock-Land Kreis, many party organizations in the LPG's and state farms have categorically supported scientifically conducted soil and stock management in crop production and fodder calculation and operational accounting with the help of office computers. At the same time, they are responsible for job-related advanced training and the exchange of experiences with scientists and practical workers of other enterprises.

The comrades paid particular attention to spring work in order to use--in good peasant tradition--every hour for cultivation and maintenance work of high quality. In this connection it was not infrequent that critical remarks were made with regard to the readiness for use of agricultural technology, its often high degree of wear, and the insufficient supply of spare parts. A key role in the discussions was played by the further perfection of democracy within the cooperatives and by the deepening of cooperation. In the villages the discussions were particularly aimed at tapping agricultural reserves as well as at solving such communal issues as housing construction, the building and renovation of installations for children, trade, and health care, at improving the drinking water supply, and at developing a vivid intellectual-cultural and sports life. Tribute was paid to the work of the 100,000 comrades in the executive committees of the Peasant Mutual Aid Association and of the Union of Small Gardeners, Settlers, and Small Livestock Breeders, who, together with another 185,000 citizens, as elected representatives of 2 million cooperative peasants, gardeners, and small producers are working for beautiful, productive villages and meaningful leisure activities of the citizens.

The election meetings in the trade and service institutions reflected the efforts of the comrades to improve the range of high-quality goods that are in high demand from the population, to raise sales quality and the quality of repairs, and to shorten repair times through exerting more influence on the producers of consumer goods and through the development of direct relations.

Good Results in Election Meetings of Pedagogues, Artists, and Health Care Employees

In the election meetings of the basic organizations in the public education institutions the school requirements were well deduced from the development of the entire society, and the consequences were drawn for communist education, for conveying a solid general knowledge, and for guiding the young people toward science and technology. Concrete stipulations were set on how comrades can influence even more purposefully the abilities of the leaderships of the children and youth organization in order to achieve greater independence in their work and to live up even better to class-minded education and education toward socialist patriotism and proletarian internationalism.

The comrades of the Writers Association and of the Association of Graphic Artists affirmed their intention to enrich the GDR's socialist national culture with works of art, which depict the beauty of the struggles of our time, which encourage and awaken the readiness to even greater efforts. At election meetings in the Schauspielhaus Theater, in the Semper Opera House, in the Kleist Theater in Frankfurt (Oder), and in other theaters proposals were submitted for new, attractive events, for productions whose heroes are burning and passionately struggling for our cause, for purposeful promotion of young artists, and for gaining young people as an audience. The discussions dealt with creative cultural contributions to the 750-year celebrations of the capital city of Berlin, to the 10th GDR Art Exhibition, and to the 22d Workers Festival in 1988. The substance of many election meetings was essentially determined by the duty of the comrades to act in a party-minded way in the artists' collectives and associations and to arm themselves for this through active participation in the party's inner life. Greater attention was paid to the ideological and technical work with young artists.

The election meetings in the health and social sector were characterized by firm determination to make one's own important contribution to the SED's successful social policy through perfecting health protection as well as medical and social care. The construction of numerous new, important health and social institutions since the Eighth Party Congress, as well as the increased life expectancy of the citizens were praised as outstanding sociopolitical achievements of the GDR and as an expression of responsible work by doctors, nurses, and all employees of the health and social sector. The comrades agreed on stipulations to further shorten waiting times by means of demand-oriented office hours in the mornings, in the evenings, and on Saturdays. Increasing importance was accorded to closer cooperation between the medical institutions. Repeated criticism was voiced with regard to the personnel and material conditions in a number of institutions of the health sector.

The Party Elections Strengthened the Fighting Strength of the Basic Organizations and the Party's Affinity With the People, and Consolidated Socialist Democracy

The election meetings reflected a high level of inner-party democracy, developed collectivity, and a comradesly, creative atmosphere in the party collectives. They distinguished themselves by intense exchanges of experiences and comparative performance appraisals concerning the further raising of the fighting strength, acting capability, and affinity with the masses of the basic organizations in order to keep pace with the requirements of the times. This concern is also served by the initiatives of numerous communists and party collectives in the Karl-Marx-Stadt Bezirk under the slogan "The communist--fighter, confidant, oriented toward the future."

The election meetings were an important contribution to the realization and further development of socialist democracy. At these meetings open and business-like accounts were given on the implementation to date of the decisions of the 11th Party Congress, which are supported by all the people, in the corresponding spheres of responsibility. A great number of communists actively participated in working out the accountability reports and resolutions and they based their work to a great extent on the ideas and considerations of their colleagues and fellow citizens. The cornucopia of ideas of the elections was thoroughly evaluated in the trade unions, the FDJ, and in other mass organizations. The presentation of the newly elected leaderships and the extensive information on the results of the election meetings in the work collectives met with a widespread response among the working people.

The accountability reports on the fulfillment of the basic organizations' pledges and the control of the implementation of the proposals and suggestions which were submitted in the course of the plan discussion played a great role in the election meetings. It became even more important to introduce changes, to remove obstacles, and to pave the way for the working people's willingness to make achievements.

The party elections were also characterized by the accountability reports of the comrades on their work in elective functions, as people's representatives, or in the mass organizations, and on their political work in the residential area. It became clear that most of the comrades are well informed about the questions that concern the working people and also react to them.

Impressive Picture of Party Social Work of the Communists

The election meetings gave an impressive picture of how the party's link with all working people is further consolidated through the communists' honorary social work. As deputies to members of commissions and aktivs of the people's representative bodies, 24,000 comrades are responsible working for the welfare of the citizens. In addition, more than 2 million party members are doing meritorious and recognized work in the trade unions, in the FDJ, in the Democratic Women's League of Germany, in the German Gymnastics and Sports Federation, in the Society for Sport and Technology, in the German-Soviet Friendship Society, in the National Front committees and house community leaderships, as parents' representatives, in judicial organs, in aktivs for order and security, people's control committees, and other social organizations and institutions.

In order to further develop democracy within the party, the election meetings directed attention toward politically substantial, informative, and mobilizing members' assemblies. Many comrades suggested that the party leaderships give regular accountability reports, openly report on the activities in the enterprises, thoroughly assess the topical mood, and provide arguments for the comrades' unified work concerning relevant questions. In many places they were emphatically in favor of strengthening party control on the implementation of the decisions.

In the course of the party elections the acting capability of the party groups and their ideological effect in the work collectives have further increased. Party-minded education in the work with the comrades received greater weight. The party groups are reacting flexibly to current tasks and problems. In some places the comrades self-critically say that the exchange of views at their work place on the political events must be conducted in more detail. There were some critical suggestions addressed to the party leaderships demanding more future support for the party groups in their everyday political work.

The party elections in the 13,952 residential party organizations reflected the comrades' great activity and readiness for action for a vivid political and intellectual-cultural life in the residential areas as well as for the development of the national economic mass initiative. The residential party organizations have a great share in the high achievements of the "Beautify our towns and villages--Join in!" movement. Proposals are directed at more comprehensive integration of the citizens in preparing state decisions that concern life in the residential areas and in enforcing town regulations.

Almost half of all the proposals submitted at the election meetings concern the tapping of resources to raise national economic performances; 30 percent of the proposals deal with local policy questions and the improvement of working and living conditions; 26 percent of the proposals refer to inner-party life.

More than 90 percent of the proposals and suggestions deal with matters that can be solved within the sphere of responsibility of the corresponding basic organizations or in the regions. In many cases regulations were immediately set down for this purpose. Thus, critical remarks of working people in the Guben Chemical Fiber Works, for instance, led to concrete measures to renovate social installations, in particular sanitary facilities and showers.

Basic Organizations Received Qualified Instructions and Support

Under the purposeful political guidance of the party elections by the Central Committee, the bezirk and kreis leaderships gave qualified instructions and support to the basic organizations.

The bezirk and kreis leaderships as well as the kreis party aktiv sessions and seminars for the evaluation of Comrade Enrich Honecker's speech formed the basis for the substantial and constructive course of the party elections. Particular attention was paid to the conclusions resulting from the comparative performance appraisal of the kreis and from the Central Committee's material on experiences. By means of individual talks with the party secretaries and other candidates for the new party leaderships as well as through advice in case of problems in a great number of basic organizations, the comradely relationship between the kreis leaderships and the party activists was consolidated. More attention was paid by them to the support for the party groups, which was expressed, for instance, in leaderships with the party group organizers.

Great interest and approval received the reports on the party elections in NEUES DEUTSCHLAND, in the bezirk and enterprise papers, and on radio and television. They clearly reflected the militant atmosphere and the wealth of problems discussed in the election meetings and encouraged the taking of party-minded positions by showing good examples. Party secretaries and other members of the leaderships were presented in an attractive manner. The reports supported the exchange of experiences and contributed to acquainting broad circles with the party's current work.

Conclusions

1. The bezirk and kreis leaderships are conscientiously evaluating the experiences, initiatives, and ideas emerging during the party elections in the implementation of the tasks expressed in the speech of Comrade Erich Honecker, general secretary of the SED Central Committee, on 6 February 1987, and use them to purposefully further raise the standard of the ideopolitical and organizational work. In May sessions of the kreis leaderships are to be held to evaluate the party elections.

2. By means of effective political work among the masses, which reaches all working people and every citizen, the relationship of trust between the party and the entire people is to be further deepened and comprehensive support for the peace initiatives of socialism is to be organized. Party life is to be consistently directed at every communist proving his worth as a political fighter and confidant of the working people and standing in the front ranks in the competition for high efficiency and quality of work.

3. It is the priority concern of party work and the work among the masses to link the basic conviction "My work place--my combat station for peace" everywhere even more closely with high personal performance targets, which ensure fulfillment of the plan tasks and the additional pledges at the required dates and in the required ranges and quality. Party control is to be aimed more strongly at the utilization of the qualitative factors of performance growth.

4. The proposals submitted by the comrades during the party elections are to be conscientiously evaluated with the aim of achieving visible changes in the spirit of the concerns that were put forth by means of tapping the enterprises' reserves and the regional opportunities. At the members' assemblies in May the party leaderships have to give accountability reports on this and to report on all measures taken.

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CSO: 2300/303

HONECKER GREETINGS CONVEYED TO PERU COMMUNISTS

LD311408 East Berlin ADN International Service in German 0709 GMT 31 May 87

[Text] Lima, 31 May (ADN)--After a thorough discussion, the delegates of the ninth party congress of the Communist Party of Peru approved a report and political propositions by the Central Committee. Prior to the congress, these were the subject of wide debate. Beginning with an analysis of the national and international situation, the document sets forth the tactical approach by the party for its activities for the well-being of the people. The delegates from all parts of the country welcomed with cordial applause the welcoming addresses by the total of 25 delegations from fraternal parties abroad.

Hans Albrecht, Central Committee member, first secretary of the Suhl Bezirk [area] executive of the SED, and leader of the SED delegation, conveyed the greetings address from Erich Honecker, general secretary of the SED Central Committee. In his address, Hans Albrecht paid tribute to the great contribution by Peruvian communists toward developing the trade union movement and founding the alliance of the Unified left.

"We totally and completely share your view that in the face of the large-scale armament and confrontation policy by the most aggressive imperialist circles in the United States and NATO, there is nothing more important than averting the threat of a nuclear inferno through joint efforts by all forces of peace, reason, and realism," Hans Albrecht said. At the same time, he stressed the high esteem of the GDR for the efforts by the Contadora Group and other Latin American countries, including Peru, to avert open military aggression against Nicaragua and to bring about a political and just solution to this conflict. On Sunday, the party congress continued its deliberations with a debate on a report about the party's internal development. Sunday night and Monday morning the congress will conclude with the election of a new Central Committee.

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CSO: 2300/304

STOPH ADDRESSES YOUTH WEEK GALA EVENT

LD302009 East Berlin ADN International Service in German 1648 GMT 30 May 87

[Text] Berlin, 30 May (ADN)--Every young person in the GDR has again and again found confirmation that socialism ensures a future in peace and social security. Socialism needs every individual; it allows the creative development of personal capabilities and guarantees equal participation in the life of society. Willi Stoph, chairman of the GDR Council of Ministers and member of the SED Central Committee Politburo, stressed this today at a gala event held by the GDR Council of Ministers, the FDJ Central Council, and the FDGB National Executive Council for the start of this year's "Week of Youth and Sportsmen". At the event in Berlin, 303 youth collectives and 13 communities were honored for outstanding achievements.

Willi Stoph said that the many varied initiatives of the young generation are impressive proof that the FDJ has made the policy of the party of the working class, directed at the well-being of the people and peace, a cause of its own. Youth is answering the challenges of the times with deeds in the framework of the central youth project "FDJ Initiative Berlin", on the gas pipeline in the Soviet Union, or on other projects in the over 45,650 youth brigades and 5,200 young researchers' groups.

Willi Stoph stated that the policy for the people's well-being for the comprehensive strengthening of socialism in the GDR, and the untiring struggle for securing peace is deeply relevant to the interests of all young people. The far-reaching proposals by the USSR for concluding without delay a separate agreement on the complete removal of medium-range missiles from Europe, for starting negotiations on the reduction and consequent removal of missiles stationed in Europe with ranges of between 500-1,000 km, and the readiness expressed by the Soviet Union for the removal of battlefield nuclear weapons open up a real chance of liberating the world from all nuclear weapons by the year 2000. The GDR fully supports these proposals. It is in favor of a nuclear weapons-free corridor in central Europe. The GDR is resolutely continuing its peace-policy and holding a dialogue with all the forces of commonsense and realism.

Willi Stoph underlined that the Warsaw Pact Political Consultative Committee reasserted at its meeting in 750 year-old Berlin, the city of peace, that the possibility now exists for realizing practical steps in the area of disarmament. "Concrete and practicable proposals arise from the Berlin meeting for a drastic reduction of forces and armaments of all kinds, to which the other side must now answer constructively. The new initiatives by the Warsaw Pact states should create further preconditions for confidence-building and disarmament. The Berlin resolutions encourage all forces of commonsense and realism, they provide much room for continuing the political dialogue with all those who are willing to contribute to peace. It is thereby again underlined that the historical opportunity for securing the continued existence of the entire human civilization emanates from socialism. Socialism and peace are inseparably bound." For this reason the youth of the GDR see their responsibility particularly in giving their best every day in socialist competition in order to make their place of work, everyday afresh, their battlestation for peace.

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CSO: 2300/305

MINOR-PARTY MEMBERSHIP PROFILE SHIFTS NOTED

Cologne DEUTSCHLAND ARCHIV in German Vol 20 No 4, Apr 87 (signed to press 26 Mar 87) pp 339-341

[Article by Dr Peter Joachim Lapp, member of the East-West editorial staff of Deutschlandfunk in Cologne: "Social Structure of the GDR Block Parties"]

[Text] Sometimes the appendix of a book is more interesting than the work itself. That holds true in the case of a monograph published in the East Berlin Staatsverlag at the end of 1986 with the pretentious title "The State in the GDR Political System."

The reader of this 320-page book, compiled by a collective of authors headed by Wolfgang Weichelt, needs some patience to struggle through the five chapters even though he may have some access to Marxist-Leninist political science. Weichelt and his comrades have compiled a state theoretical concoction which in some places was nothing but a wasteland in print. But at least the appendix had some substance. Here for the first time since the early fifties are there any semiofficial data on the "social composition of the parties friendly with the SED."

Thus far only fragmentary information had been available. The data now presented indeed do not yet fulfill all expectations on account of various gaps, they are nonetheless clearly a step in the direction of greater openness. The secretiveness surrounding the social composition of the block parties has never been really understandable. It was probably quite embarrassing to those responsible in the SED (and especially to the Central Committee department for "Friendly Parties") to publish these data because they showed a considerable change in part in the membership structure of the four parties existing aside from the SED. And this structural change, as is known, has its origin in the leading GDR party itself, since the SED for decades has assigned specific target groups (classes/strata/occupational groups) to the block parties. Beyond that the "friendly parties" cannot address any other circles.¹

The changes in the membership structure of the four GDR block parties can best be demonstrated by tables and brief explanations.

Table 1

Democratic Peasant Party of Germany (DBD)

1951

Working peasants:	74.8%
Agricultural and forestry workers:	3.7%
Other occupations:	21.5%
Membership:	60,000 ²

1985

Members of the "class of cooperative peasants":	68% (=75,000)
Others:	No data
Membership:	110,500 ³ (including 32% women)

Explanations: As could be expected, the membership structure of the DBD has not greatly changed; merely the share of women is greater than in the fifties. The "worker share" now is probably around 5 percent since the party includes forestry workers and workers from the food industry enterprises in its ranks. Little is known about the age composition in the eighties: About 20 percent of the "party colleagues" probably is less than 25 years old.

Table 2

National Democratic Party of Germany (NDPD)

1952

Salaried employees:	40.1%
Blue-collar workers:	17.3%
Craftsmen and self-employed persons:	17.0%
Intellectuals:	6.6%
Peasants:	4.3%

Small-scale entrepreneurs:	0.8%
Other occupations:	13.9%
Membership:	110,000 ⁴
1985	
Salaried employees:	32.0%
Intelligentsia (salaried employees):	17.0%
Private craftsmen and helpers:	13.0%
Craftsmen (artisan producer cooperatives):	5.0%
Retailers and innkeepers:	4.0%
Workers:	4.0%
Members of agricultural, gardening, and working fishermen's cooperatives:	2.0%
Persons employed in private enterprises:	1.0%
Freelance intelligentsia:	0.5%
Others (pensioners/students):	21.5%
Membership:	101,500 ⁵ (including 34% women)

Explanations: Most significant is the reduction of the worker share from over 17 percent to the present 4 percent. However, it should be emphasized that part of the former workers carried out this activity so-to-speak under compulsion since at that time there were no other possibilities for former NSDAP members. Also striking is the present very small share of "cooperative peasants," which is less than 2 percent. The high share of the intelligentsia is surprising.

Table 3

Christian Democratic Union of Germany (CDU)

1951

Salaried employees:	27.5%
Housewives:	18.4%
Blue-collar workers:	17.9%
Peasants:	14.5%
Self-employed craftsmen and businessmen:	11.5%
Freelance occupations (including intellectuals):	4.4%
Others:	5.7%
Membership:	170,000 ⁶

1985:

Salaried employees:	39%
Cooperative peasants:	17%
Intellectuals:	13%
Craftsmen and self-employed persons:	12%
Blue-collar workers:	10%
Housewives:	9%
Membership:	131,600 ⁷ (including 44% women!!!)

Explanations: The biggest GDR block party in terms of the social composition continues to have the character of a "people's party." All classes and strata are represented. And with a 44-percent share of women, this party is by far leading in Germany; no other party can present such figures. What is striking here, too: the worker share has greatly declined but, with 10 percent, continues to be significant. Compared with 1951, the share of (cooperative) peasants and--very

clearly—the share of salaried employees has increased. In 1985, 16 percent of the GDR CDU members was less than 30 years old.

Table 4

Liberal Democratic Party of Germany (LDPD)

1951

Salaried employees:	30.9%
Independent craftsmen and businessmen:	14.4%
Peasants:	13.4%
Blue-collar workers:	13.3%
Housewives	11.7%
Freelance occupations:	5.7%
Entrepreneurs:	1.0%
Others:	9.2%
Membership:	155,000 ⁸

1985

Salaried employees:	33%
Craftsmen and businessmen	24%
Intelligentsia:	18%
Pensioners:	16%
Cooperative peasants:	5%
Others:	4%
Membership:	96,000 ⁹

Explanations: Since the fifties, the share of craftsmen and businessmen has greatly increased as well as the share of the intelligentsia. However, workers have completely disappeared from the LDPD. Also noteworthy is the considerable loss of (cooperative) peasants. As regards age structure of the membership, the 16-percent share of

pensioners provides an indication not provided separately for any other block party (and which is possibly exceeded by the NDPD). The LDPD is silent as regards sex structure.

Brief Summary

Only the GDR CDU has a heterogeneous social structure to this day since the target group of Christians includes citizens of all classes, strata, and occupations. The changes in the membership structure were limited. That was, of course, also true for the DBD, which was and is primarily the occupational group representation of parts of the GDR peasantry. The greatest changes in the membership structure occurred in the LDPD and NDPD. Especially the reduction and elimination, respectively, of the worker share in NDPD and LDPD is significant, similarly the pronounced losses of peasants in both parties. On the other hand, the LDPD was able to record strong gains among the craftsmen and businessmen; LDPD and NDPD in addition were able to add to their memberships in the intellectual professions. Because of the target group assignment by the leading SED, especially these two parties had to experience the greatest changes in the structure of their membership. In fact new membership of workers is prohibited to the LDPD and the NDPD. Also in the case of the cooperative peasants they recorded losses from their initially quite high numbers of "working individual peasants."

FOOTNOTES

1. Cf. in this connection: Peter Joachim Lapp: "The 'Friendly Parties' of the SED. The GDR Block Parties in the Eighties," Cologne 1987 (to be published).
2. Bernhard Wernet-Tietz: "Peasant Association and Peasant Party in the GDR," Cologne 1984, p 117 (Table 14); Hermann Weber, Editor: "System of Parties Between Democracy and People's Democracy," Cologne 1982, p 513 (Table 1).
3. "The State in the Political System of the GDR," edited by an authors collective headed by Wolfgang Weichelt, East Berlin 1986, p 301.
4. "System of Parties," op. cit., p 520 (Table 9). 1952 membership is author's estimate.
5. "The State in the Political System," op. cit., p 303.
6. "System of Parties," op. cit., p 517 (Table 5); p 513 (Table 1).
7. "The State in the Political System," op. cit., p 301.
8. "System of Parties," op. cit., p 519 (Table 8); p 513 (Table 1).
9. "The State in the Political System," op. cit., p 302.

DEFENSE COMMITTEE MEETINGS REPORTED

'Work Shirkers' Issue Discussed

Zielona Gora GAZETA LUBUSKA in Polish 23 Apr 87 pp 1, 3

[Article: "Congress Meeting of WKO in Kozuchow: What Now With People Who Refuse to Work? Protecting the Food Economy From Contamination"]

[Text] The Voivodship Defense Committee in Zielona Gora met yesterday in Kozuchow at the headquarters of the state farms (PGR) directorate.

The meeting focused on the implementation of the tasks implied by the law on how to proceed with people who will now work and protection of the food economy, livestock, fodder, and water against contamination and infection.

During the more than 4 years that the provisions of the law have been implemented, the voivodship has registered about 2,500 persons aged 18 to 45 years who will not work. The largest numbers are in Zielona Gora, Zarach, Swiebodzin, and Nowa Sol. Of this number, 1,418 people worked after compulsory referrals, each for about 6 months, after which they apparently began secretly to refuse to work, but the referrals also included people who became stable and did not shirk. Nonetheless, the fact is that the law is not working in practice and needs to be altered in several respects.

The protection of farm products, fodder, water, and livestock from various sorts of contamination is of tremendous importance to the nation's health. This applies not only under extreme conditions, such as the threat of war or the Chernobyl incident, but also in cases of industrial contamination, hazardous waste, and so on. Conditions are already being created for proper storage of farm products through the modernization of storage facilities. New storehouses and buildings are being erected or will be, with attention given to the need for protection. It is also essential to introduce a comprehensive and cohesive system of laboratory research and to provide more equipment to laboratories working on behalf of agriculture. Civil defense teams are also in operation to handle matters related to the protection of farm products. This form of action needs to be expanded, and there should be further training of team members.

A group for the patriotic defense training of society, with special attention to youth, was appointed. PZPR Voivodship Committee Secretary Jozef Malanczuk will head the group.

Voivodship Governor Zbyszko Piwonski conducted the WKO meeting.

Civil Defense Tasks Noted

Opole TRYBUNA OPOLSKA in Polish 8 Apr 87 p 1

[Article: "WKO Meeting : Tasks for Civil Defense"]

[Text] Yesterday's meeting of the Voivodship Defense Committee, or WKO, chaired by the Opole Voivodship Governor, Kazimierz Dzierzan, was devoted for the most part to the tasks facing civil defense. Members of the WKO acquainted themselves with the major assumptions of protecting people and property in those regions of the voivodship which are potentially in greatest danger.

The committee members were then informed about the creation of a WKO group on the patriotic defense training of society with particular attention to youth. Rudolf Golonka, secretary of the PZPR Voivodship Committee, was named to head the group.

Mieczyslaw Rzepliela, chairman of the Voivodship People's Council, attended the WKO meeting.

Army Conscription Featured

Rzeszow NOWINY in Polish 8 Apr 87 p 1

[Article: "Before Recruitment"]

[Text] (From our own sources) Yesterday the Voivodship Defense Committee, the WKO, in Przemyśl took up questions related to preparations for the army to be conducted this April to June. After making a positive assessment of the past activity of the draft commission, the WKO pointed out the need to develop a broad range of ideological and moral training activities among young people of draft age and also to step up efforts to attract candidates for the military academies.

In the course of the deliberations, which were conducted by Andrzej Wojciechowski, information was presented on the way the city office in Jaroslaw and its subordinate organizational units had implemented defense tasks.

Administrative-Economic Decisions

Kielce SLOWO LUDU in Polish 9 Apr 87 p 2

[Item under heading "Our News Service"]

[Text] In Kielce yesterday the Voivodship Defense Committee was convened under the gavel of Wlodzimierz Pasternak, Kielce voivodship governor. In connection with a presentation by Gen Wojciech Jaruzelski at a session of the Economic Reform Commission, there was a discussion of problems related to improving the automotive economy in the voivodship, the rational use of telephone communications, and improved functioning of the institutions, facilities and public services in the realm of trade, public health, social welfare, and the communal and housing economy.

A decision was also made concerning the creation of a voivodship group on the patriotic defense training of society, especially youth.

Social Discipline Tasks Noted

[Article: "WKO Meeting in Katowice"]

[Text] A Voivodship Defense Committee meeting held in Katowice was attended by Gen Dyw Wladyslaw Pozoga, deputy minister of internal affairs. There was an assessment of the state of preparations and the course of conscription for military service and an evaluation of the implementation of Katowice Voivodship's tasks stemming from the program for respect of the law, public order, security, and social discipline.

The meeting was conducted by Voivodship Governor Tadeusz Wnuk, who heads the WKO.

Army Recruitment, Youth Featured

Zielona Gora GAZETA LUBUSKA in Polish 24 Apr 87 pp 1, 2

[Article: "WKO Meeting in Gorzow: Creation of Group on Patriotic Defense Education for the Society, Recruiting for Professional Military Schools"]

[Text] The problems of patriotic defense training were the subject of yesterday's meeting of the Voivodship Defense Committee in Gorzow.

In keeping with the National Defense Committee guidelines, a voivodship group on the patriotic defense training of society with special attention to youth was appointed. Henryk Piekarski, PZPR Voivodship Committee secretary and deputy chairman of the WKO, was named to head the group.

The group's main task is to develop patriotic defense attitudes in citizens, especially young people, to create respect for honest work, and to bolster social responsibility for the country's security and fate, prestige, and international position, as essential elements of the country's moral and political defense potential. It was with all this in mind that a broad program of historical education was undertaken. Defense knowledge will be popularized. Basic military, technical, and emergency medical skills will be developed. The plans include the creation of a climate of social recognition for well-organized productive work as the best manifestation of patriotism in peace time. Especially great attention will be devoted to the very young, in

the concern to protect them from bad attitudes and behavior. In the very near future the group will work out a schedule for carrying out these tasks.

During the second half of the meeting, WKO members learned about how recruitment of candidates for the military academies was going. The Voivodship and regional commissions on recruiting for professional military academies presented data on this subject. Roman Strasz, head of the regional commission in Sulecin, was honored with a bronze medal "For service to the country's defense preparedness."

Stanislaw Nowak, governor of Gorzow Voivodship, chaired the WKO meeting.

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CSO: 2600/598

RCP-JAPANESE CP JOINT DECLARATION

AU291200 Bucharest AGERPRES in English 0853 GMT 29 Apr 87

["Joint Declaration by Comrade Nicolae Ceausescu, General Secretary of the Romanian Communist Party, and by Comrade Kenji Miyamoto, Chairman of the Central Committee of the Japanese Communist Party"--AGERPRES headline]

[Text] Bucharest, AGERPRES, 29 Apr--Comrade Nicolae Ceausescu, general secretary of the Romanian Communist Party, and Comrade Kenji Miyamoto, chairman of the Central Committee of the Japanese Communist Party, by way of exchanges of messages and an interview between representatives of the two parties, mutually presented the points of view on the current international situation, particularly on the problems regarding the nuclear arms and the conditions under which the communist movement acts in the world. Given the particularly grave situation extant on an international plane and the imperious need to solve the problems emerged and in order to contribute actively to implementing the urgent common goals, as well as the wish to develop further the joint efforts of the two parties along this line, the two leaders, without holding direct talks, have agreed to endorse the following joint declaration:

Analyzing the evolution of the international situation, Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto noted that in the light of historical development, events confirmed the correctness of the analysis and assessments, the full validity and topical character of the proposals presented in the joint communique of 3 September 1971 and in the joint declaration of 10 July 1978, which they had signed in behalf of their parties.

The world traverses a crucial period. On the one hand, the struggle for averting a nuclear war and eliminating the nuclear weapons, for national sovereignty and independence, democracy and social progress, has recorded ample development, demonstrating that mankind's historical progress can be ensured for the future generations. On the other hand, in conditions of unlimited accumulation of ever more sophisticated nuclear and conventional weapons, growing aggravation of the contradictions, growing imperialist parasitism, expanded economic and commercial conflicts among the developed capitalist countries, as shown by the activity of the multinational corporations in a number of capitalist countries, in conditions of mounting

instability of currencies and uncontrolled growth of the developing countries' debt, the world capitalist system desperately seeks a new way out, that should ensure further fabulous profits of the capital on account of the working people and of intensified exploitation of the developing countries. Mankind's resources and riches must not be wasted for such unproductive purposes as the acceleration of the arms race, that has led to a tremendous accumulation of nuclear weapons and other mass destruction means; on the contrary, they must be used for solving the problems of starvation and poverty that affects hundreds of millions of people in the world, as well as for economic development and for the settlement of the social issues. In general, a radical change is needed in world economy and politics.

Such a change requires now more than ever that the socialist countries, the working people in the capitalist countries, the national liberation movements as well as the antinuclear, peace-loving forces work most resolutely for peace, security, independence, democracy and social progress. The target of eliminating the nuclear weapons holds a central place in this struggle.

Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto solemnly declare that the urgent foundation is imperiously necessary of a large, united international antinuclear front for averting the nuclear war and eliminating the nuclear weapons, for overcoming the deadlock of the international politics today in the matter of nuclear weapons, and that every possible effort must be made in this respect.

Along the 16 years that have elapsed since the two leaders' first meeting in 1971, the number of nuclear weapons has grown at high rates, attaining quite terrifying levels of destructive power. In the current international situation a nuclear war will inevitably lead to the destruction of the whole humanity and civilization; the danger and threat that various conflicts on our planet snowball into a nuclear war have continuously grown.

At present, in various parts of the world, in all continents the struggle must be intensified for the prevention of a nuclear war and for disarmament, against the location of new nuclear arms, for the removal of those already in place, the prevention of outer space militarization, starting with the "Strategic Defence Initiative," for a total ban on nuclear-arms tests and the conclusion of an international accord to this end, the creation of nuclear-free zones, for forbidding the access to ports of foreign military ships carrying nuclear weapons. It is important to carry on--under various forms--the struggle for the creation in earnest of a nuclear-free Europe and Asia. This struggle is a means of immediate defence against the nuclear war peril and the nuclear arms race imposed on peoples, mobilizes the people's energy against nuclear arms, contributes to a greater extent to the cause of peace worldwide. As it clearly appeared after the Soviet-American summit in Reykjavik and during the ensuing process, the forces supporting nuclear arming have been stepping up their efforts backing "nuclear deterrent," holding that nuclear arms would be a necessary deterrent to maintain peace. It is necessary to give up once and for all

the erroneous, outdated conception that nuclear arms would strengthen states' defence capacity and security, would help maintain peace in the world.

In these conditions, attention should be given to all efforts for an intensification of struggle in various regions of the world to attain concrete goals. Likewise, of crucial importance is the concerted action and struggle worldwide so as to encircle and isolate the forces that refuse to give up nuclear weapons. It is only the elimination of nuclear arms that guarantees the eradication of nuclear war on our planet. The banning and total liquidation of nuclear arms is the joint major aim that should rally all the actions of struggle worldwide. A broad united front gathering tremendous forces against nuclear weapons for peace--will be the way toward a fundamental change in the situation of nuclear arms throughout the world.

Likewise, in order to secure the fulfillment of these aims, it is necessary to work for the conclusion of an international accord on a total ban on the development, production, testing, possessing, location and use of nuclear arms, to intensify peoples' struggle, to mobilize the international public opinion so as to create a world trend to check and prevail upon forces that back nuclear arming.

The Romanian Communist Party and the Japanese Communist Party pointed out in the 1978 joint declaration that "general disarmament, banning and scrapping nuclear arms, above all, are a must. The endorsement of efficient measures for the attainment of these targets requires a broad mobilization of the world public opinion, the organization of vast actions of the masses." The creation of a wide united international antinuclear front represents a materialization of this idea under current conditions.

In the over 40 years since the end of the second world war, repeated calls were made at the UN and in other international political fora and gatherings for a passage to nuclear disarmament. Nevertheless, the nuclear arsenals have grown tremendously and, with a destructive potential that is the equivalent of one million Hiroshima and Nagasaki-type atomic bombs, they can destroy the human kind scores of times. All this requires a new approach and puts before all peoples the major task of banning the use of the weapons of mass destruction, of ensuring the continuity of human civilization.

In consideration of all this, Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto take the view that international political understandings and agreements, including at the UN, an accord between the biggest nuclear states--the USSR and the U.S.A.--and all nuclear states to take effective measures to eliminate nuclear weapons from our planet would be of great, historic significance for the world's security and the progress of mankind.

The general secretary of the Romanian Communist Party, Comrade Nicolae Ceausescu, and the chairman of the Central Committee of the Japanese Communist Party, Comrade Kenji Miyamoto, call on all political forces, trade unions, women and youth organizations and movements, other social

segments, religious circles, the organizations and all people interested in averting a nuclear war to take action, beyond political, philosophical or religious differences and whatever the geographic area they live in, in a united international front against nuclear arms, for peace, for the elimination of the nuclear threat and the building of a nuclear-free world. The two leaders restate the common determination of their parties closely to cooperate with all these forces for the attainment of this historic goal. Specific aims would give perspective to the world's peace and democratic movements and an intensification of their activity would be very important, wherefore the two leaders welcome active campaigns and the initiation of appeals to promote concerted international action.

At a time when world peace and security are seriously threatened, Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto, in consideration of the historic experience and the lessons of the united antifascist front strongly believe that the communists in the two countries will do their duty of honour and contribute to the creation of a united international anti-nuclear front that will include all the forces of peace and democracy and will take common action internationally.

The Romanian Communist Party and the Japanese Communist Party state their resolve to make sustained efforts, do all for the triumph of the foremost cause of mankind--the aversion of a nuclear war and the abolition of nuclear weapons. More than at any other time is action necessary to solve this vital problem.

Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto express their deep concern over the fabulous one trillion dollars military expenditure and underdevelopment. Underscoring the danger of a massive accumulation of increasingly sophisticated conventional arms, the two leaders favor a radical conventional arms, troops and military spending cut. The developing countries' foreign debt, that has risen tremendously to nearly one trillion dollars, and the widening gap between these countries and the developed countries put in jeopardy not only national independence and sovereignty, but also the growth and stability of the world economy, and the future of mankind.

The general secretary of the Romanian Communist Party and the chairman of the Central Committee of the Japanese Communist Party, showing that the time has come for all the states and social forces to take firm action, underlined that they would spare no effort to contribute to a global settlement of the underdevelopment issue that should overcome this increasingly serious situation. For that purpose, the two leaders assessed the implementation of a new international economic order and the extension of aid, including the resources saved through disarmament, to the developing countries for their independent growth as an urgent common task, that the joint declaration of 1978, also emphasized. For these complex problems to be solved in the interests of all nations, an urgent effort of governments and peoples is needed, including for the organization of an international conference under UN aegis or in another framework, with the equal participation of

developing and developed nations. A new international economic order would be very important not only for the developing peoples, but also for the working class and people in the developed capitalist countries, and in the socialist countries.

The two leaders emphasize that a real interstate relationship set on the renunciation of the threat or use of force, full respect for the right of peoples to choose their own development path free from outside interference are very important for world peace and security, and for the establishment of new equitable and democratic international relations. The abolition of all military blocs, the liquidation of all foreign military bases and the withdrawal of troops from the territories of other states are important conditions for a durable world peace, an essential prerequisite for the affirmation of the true independence and sovereignty of each people. The Romanian Communist Party and the Japanese Communist Party firmly support the settlement of all conflicts between sovereign states only by political ways, by negotiations in the spirit of respect for national sovereignty and independence.

Examining the situation in the world communist movement, Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto noted the historically very important role that the assessment of the world communist movement contained in the joint communique of 1971 had in the 16 years that have since passed, showing the deciding importance of the strict observance of the universally recognized principles of relations among communist and worker parties, as well as of ending all outside interference, including the support and encouragement of factions and of the imposition of a political line on other parties. The different historical and social conditions each party works in cannot be an obstacle to cooperation among parties; a remaking of the unity requires a definitive end to the interference in the internal affairs of parties, including hegemonistic tendencies.

It is natural that the communist and worker parties should carry on their revolutionary and socialist construction activity in a creative independent way, on the basis of scientific socialism, which would lead to true international solidarity.

The Romanian Communist Party and the Japanese Communist Party reiterate the significance of the abolition of all forms of interference in the internal affairs of parties. The two parties take the view that the obstacles to a true remaking of the communist movement unity must and can be removed. By making further efforts to overcome this situation, the two parties stress the need for a continuing search, in various forms, of the ways to the common cause of disarmament, peace, democracy and social progress, which sets the immediate task for the broad forces that stand for peace and democracy to take and promote common international actions, to save mankind from the nuclear threat. The communist movement can and must play a growingly important role in the attainment of these targets, in the international political life. The joint effort, the free exchange of

opinions and other actions of cooperation among parties have a positive importance. A new international solidarity of parties can be achieved on the basis of a just mutual relationship.

Life, realities, historical experience show that, in the present very complex situation, it is imperative that the working-class organizations, all progressive and democratic forces step up their efforts for the building of a nuclear-free world, for disarmament and peace, for a better and more just world where each nation may develop in freedom and independence.

The two leaders restate that the effort of the communist and worker parties can be concerted internationally, that the world communist movement can develop in a better direction only if there is strict respect for the universally valid principles of independence, equality of rights, non-interference in the internal affairs of parties, if an end is put to all forms of interference, including the support of factions within other parties.

Satisfied with the traditional relations of friendship and solidarity that have developed between the Romanian Communist Party and the Japanese Communist Party all along, Comrade Nicolae Ceausescu and Comrade Kenji Miyamoto reiterate their resolve to expand the relationship between the two parties so as to meet the present demands of the struggle for the aversion of a nuclear war, for a nuclear weapons ban, for general disarmament, for the observance of the independence and sovereignty of all nations, for the building of a peaceful and secure world, and to contribute to the creation of an international front against the nuclear weapons, for peace, and to an effective unity of the world communist movement.

Nicolae Ceausescu,
general secretary
of the Romanian Communist Party

Kenji Miyamoto,
chairman of the Central Committee
of the Japanese Communist Party

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SCINTEIA ON PALESTINIAN MEETING IN ALGIERS

AU041135 Bucharest SCINTEIA in Romanian 28 Apr 87 p 4

[Article by V. Alexandrescu: "An Important Event for Strengthening the Unity and Asserting the Legitimate Aspirations of the Palestinian People"]

[Text] The Romanian people, alongside broad circles of international public opinion, followed with lively interest the proceedings of the 18th session of the Palestinian National Council [PNC] held last week in Algiers. Through its fruitful discussions and the content of documents it adopted, the PNC session undoubtedly went down as a particularly important event in the struggle to strengthen the Palestinian people's action unity and achieve their legitimate aspirations for self-determination and free and independent development. In keeping with long-standing and steady sentiments of solidarity consistently shown by our party and state, the Romanian people hail with satisfaction the results of the recent meeting in Algiers and the documents adopted there, with the belief that they will play a most significant part in the development of the Palestinian people's struggle and, generally speaking, in the resolution of the Middle East problem.

As is known, the persistent state of tension and conflict in that part of the world seriously jeopardizes peace in the Middle East and throughout the world as well as the major interests of all peoples and the cause of world peace; hence, it is necessary to find a just and lasting solution to the problems in that area. Life has shown that the key Middle East issue is recognition of the Palestinian people's legitimate rights; therefore, one should view the significance of the latest PNC session in the light of this essential prerequisite.

During its proceedings, the session adopted a number of important documents, the consensus being that its main result was the achievement of a historically significant step toward reestablishing the Palestinian people's unity and cohesion. Press agencies report that the political resolution adopted by the session contributes to the strengthening of this organization, reiterates the need for solidarity among Arab countries and the desire to expand cooperation between the Palestinian movement and all Arab states, and speaks out for the development of ties with the nonaligned countries and all progressive forces of our age. The PNC advocated an international

conference on the Middle East, with the participation of the PLO on an equal footing; in this respect, it proposed the creation of a "committee of initiative."

A true friend of the Arab peoples and firm supporter of their struggle for freedom, progress, and a better life, the Romanian nation, which also had to wage, throughout its history, an untiring struggle for the assertion of its national being, has shown from the very beginning understanding for and militant solidarity with the Palestinian people and their aspirations for self-determination and the creation of their own independent state. Socialist Romania was among the first states to recognize the PLO and establish relations with this organization; a PLO mission has operated in Bucharest for several years.

Granting constant support to the Palestinian people's just struggle, Socialist Romania and Comrade Nicolae Ceausescu have often stressed that an important and decisive prerequisite for attaining Palestinian aspirations is the achievement of the action unity of the PLO and the enhancement of this organization's role as the sole and only legitimate representative of the Palestinian people. Consistently adhering to this principled stand, Romania highly values the results of the latest PNC session, which has taken a resolute step along this line; many political observers believe that renewed unity within the PLO can facilitate greater unity among all Arab countries and peoples and open up new prospects for resolving problems in that region.

Following with particular attention the evolution of Middle East events, Socialist Romania and President Nicolae Ceausescu consistently speak out and work for politically settling the complex problems of that region and the Arab-Israeli conflict through negotiations and finding a global and negotiated solution to the Middle East situation, which should lead to: Israel's withdrawal from the Arab territories occupied in the wake of the 1967 war; the resolution of the Palestinian people's problem, by recognizing their right to self-determination, including the creation of their own, independent state; and the achievement of a just and lasting peace designed to ensure the integrity, sovereignty, and security of all states in that area.

In this respect, Romania spoke out steadily and consistently for the organization of an international conference; the correctness of this position was confirmed by life, as the idea of such a conference today enjoys great international recognition. Reiterating this principled position, Comrade Nicolae Ceausescu stressed: "We advocate a UN-sponsored international conference on the resolution of Middle East problems, with the participation of all interested states, including the PLO and Israel."

The consistency with which our party and state have spoken out for resolving the Middle East problem and recognizing the Palestinian people's rights is held in high regard and esteem by that people and other Arab nations, who see in President Nicolae Ceausescu and Socialist Romania a close friend and firm promoter of the cause of freedom and independence for all nations. During numerous meetings between President Nicolae Ceausescu

and PLO Executive Committee Chairman Yasir 'Arafat, the latter always expressed gratitude for the all-round support granted by our country and the RCP to his people's struggle. As a matter of fact, even in the reports presented at the recent PNC session and in a number of statements made by various Palestinian figures, high appreciation was shown for the activity carried out by Romania and President Nicolae Ceausescu personally to find a correct solution to the Palestinian people's just cause and for the Romanian people's support and solidarity.

In this spirit, as was stressed in Comrade Nicolae Ceausescu's telegram to Comrade Yasir 'Arafat on his reelection as chairman of the PLO Executive Committee, our party and people will continue to actively support the PLO and its struggle to establish a just and lasting peace in the Middle East, in keeping with the national interests of the Palestinian people and other nations in that area and with the overall cause of independence, peace, and security in the world.

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ROMANIAN PEOPLE'S 'ROOTS' FALSIFIED BY HUNGARIAN HISTORY TEXT

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[Review by Prof Dr Dumitru Berciu, Dr Lucia Marinescu, Dr Iancu Fischer and Dr Gheorghe Tudor of book "Istoria Transilvaniei" [The History of Transylvania] published under the patronage of Bela Kopeczi, Minister of Culture of the People's Republic of Hungary, Budapest, 1986]

[Text] Incontestably, one of the requirements of writing current history is bringing to light those facts and phenomena which, having taken place in the distant or more recent past, will contribute to the education of the masses in the spirit of peace, understanding and cooperation between peoples. Erroneous theses that have been invalidated by the results of ever more extensive and careful historical-archeological research, as well as the especially poisonous theses, are not only deadly from a scientific point of view, but furthermore damage cooperation and friendship among people in general. It seems, however, that the lessons of the past are not always correctly understood. Such is the case of the book "Istoria Transilvaniei" [The History of Transylvania] which recently appeared in Budapest, published under the patronage of the Minister of Culture of the People's Republic of Hungary, Bela Kopeczi. In dealing with the history of an ancient and glorious Romanian land, the Hungarian historians pull from the darkness a profoundly reactionary propaganda that had circulated decades ago, instruments that have been falsely created and falsely used, and they present absurd statements which are not too different from the pseudohistorians who, 200 years ago, made their political careers and those who are still doing it. Such prefabricated and preconceived ideas and theses that are far from the meaning of objectivity and the historical truth are accepted a priori as justified arguments for irredentist and chauvinist political actions.

The authors of this book mention in passing, but with ill-will and the clear intention to insult the dignity of the Romanian people and their ancestors, the wars between the Dacians and the Romans during the era of Decebal. Although these wars are events of world history of great importance in the historical development of these region of Europe, the authors merely deal with them in order to reach the conclusion--a preconceived one--that the Dacian people were "massacred" during the two wars. They thus give credit to the idea, one lacking any basis, that the later "colonization" of Transylvania by Hungarians took place in a region lacking any type of Daco-Roman settlement continuity. The authors need this distorted presentation of historical reality in order to substantiate the thesis whereby Transylvania was a land "of no one and everyone." In scientific historiography, which conforms to the truth, the Daco-Roman military confrontations are important

and significant chapters. Thus, the historians of ancient history have stressed in their time the importance of the great wars between the Roman Empire and the Kingdom of Dacia. Dio Casius, for example, felt that "the greatest war of that era for the Romans was against the Dacians, over which Decebal ruled." For this part, the historian A. D. Xenopol pointed out that "What made the Dacians immortal and raised Decebal into the ranks of great people was the ferocious war carried out by him so as to defend his country and his people, opposing the Romans tenaciously."

As a people having a state and multi-century organization and always living on the same lands, the Dacians defended their freedom and independence against all the conquerors, no matter how powerful they were. History speaks of this love for land and freedom of the Geto-Dacians, Daco-Romans and Romanians.

The confrontations between the Dacians and the Romans were numerous and long. But, the closer we get to Decebal's era, the hero king, the greater the frequency of the battles between the Dacians and the Romans. The Dacian state and the Dacian royalty then represented a military and political force feared by the Romans.

Compared to these incontestable historical realities, accepted in the era of European awareness and perpetuated in world history, you are at least surprised that in "The History of Transylvania", which appeared in 1986 in Budapest, you encounter formulations and opinions which grossly mystify the historical truth, attempting in this manner to ignore and contest the existence and continuity of Geto-Dacians even in their own region of ethnic genesis and existence, as well as the continuity and location of their state. How else could one evaluate their contesting of the borders of Dacia during Decebal's time, noted by Ptolemy and so many other ancient historians--limiting them "from the Danube to the Mures and from the Banat to the Olt"--, their statement that after the campaign of 101-102 the Dacian Kingdom "was already nonexistent" or their conclusion whereby "the details of the two wars of conquest that took place in 101-102 and 105-106, within the framework of two especially bloody campaigns, cannot be clarified on the basis of the information we have available. The sole coherent documentation that has been preserved which eternalizes this was is Trajan's Column, whose bas-relief--despite all research attempts--has not proven to be worthy of belief where we can see revealed the essential moments." Ignoring the results of historical-archeological, linguistic and ethnographic research from throughout the years of Romanian and foreign historiography, selecting certain texts, distorting statements and twisting objective reality, the authors of the new history of Transylvania evade even the well-known truths.

As part of the general idea which, furthermore, covers this entire tendacious work falsifying the origins and roots of the Romanian people and their historical rights to their ancient lands which have always belonged to them, the authors put forth an historical and political creed in supporting the idea of the complete extermination or to a very great degree an extermination of the Geto-Dacian people during and after the Daco-Roman wars. For the Hungarian historians, the main argument is, to start, the text by Eutropius, who points out that "Dacia

was exhausted of men." "Exterminations," "huge losses of life among the Dacians," "noticeable decreases in population," "flight from the rule of the Romans," "depopulation" and "massacres of the population" are current expressions used by the authors concerning the situation of the population after the end of the Daco-Roman wars. These pseudo-historians ignore not only the epigraphical, numistic and iconographic--in other words, official documents of the epoch--sources that are available to any objective historian, but especially what Romanian archeological and historical research over the last 30 years has demonstrated without any doubt: the continuity of the Dacian people in their homeland over the millenia and their active participation in the process of Daco-Roman synthesis.

As Simion Mehedinti has stressed, life has demonstrated that "a people of the dimensions of the Dacians, spread across so wide a geographic area and protected by so varied a relief (both from an orographic point of view and from the point of view of the flora), could not be disestablished. This catastrophic view is contrary to everything we know from the history of other peoples."

The transformation of the broad Carpathian-Danubian-Balkan region from the Balkan Mountains to the Transylvanian Plateau into a Roman province meant including a dense native Geto-Dacian population into a new political-administrative framework. As can be seen in absolutely objective archeological proof, as well as in written historical documents, the ethnic basis along the Carpathians, the Danube and the Black Sea--where the Roman colonists settled during the first to the third century--was the vigorous Geto-Dacian family.

Archeological research has been able to identify hundreds and hundreds of settlements showing remains of Dacian and Roman habitation. The preservation in Roman political-administrative terminology of certain toponymes from the Dacian era (Cedonia, Certiae, Vicus Pirustarum, Vicus Patavissensium, Vicus Ansamensium), as well as the renaming of the first Roman colony Ulpia Traiana Augusta Dacica with the name of the ancient former capital of the Dacians, Sarmizegetusa, and the retention of the name Dacia itself for the conquered territory, are all proof of the existence of a powerful Dacian environment. This environment, furthermore, is confirmed by the numerous settlements where the native population continued its life in its old traditions, but profoundly influenced by the new social-political conditions. The discovery of certain settlements, such as those at Boarta (Sibiu County), Arhiud (Bistrita-Nasaud County), Cernatu (Covasna County), Cipau and Lechinta de Mures (Mures County), Sopor de Cimpie (Cluj County) Mugeni (Harghita County), Noslac and Obreja (Alba County) Feldioara (Brasov County) and so forth, completely destroy the statements about "the very small native population," "the elimination of the population" and the "physical destruction" of the Dacians. It is at least curious from a scientific point of view, but explainable given the tendacious objectivity of these slanders against history, with regards to the statement that "precisely the central part of Decebal's country became the new province. It was the territory whose population was particularly destroyed not only in the war--which for the most part was conducted on this land--, but also the place where the Dacian resisted until the very end, where Decebal's loyalists stayed until their cup of poison." And, precisely in these regions the density of the native population was greatest, as noted in the sources and documents of the time. Some of the archeological data obtained from research conducted on the plateau

named "Poda" near Alba Iulia allows us to understand certain aspects concerning the native population's participation in city life and in the legions after the establishment of the Roman camps and the appearance of hamlets. In the city's necropolis, they discovered 12 tombs of cremated remains dating from the era of Roman rule and belonging to certain native Dacians. The stratigraphic position of these remains indicates a relationship of posterity compared to some burial remains using wooden coffins (evidently belonging to certain colonists), over which they were placed. In some cremation pits showing signs of secondary fires, they also discovered fragments of provincial-Roman pottery and coins, proof that some ancestral rituals were retained during the Roman epoch, with their characteristic elements being native ones and having a distinct and active presence in the life of the main political-military center of the province of Dacia. One can appreciate that the massive and active involvement and participation of a portion of the native Dacian population in "the most public activities of the state affairs of the Roman Empire--military service--," both in the province and in the rest of the Empire, meant a rapid transformation on the social and economic levels and a step up in their development and transformation into a powerful factor for cultural synthesis between the Dacians and the Romans.

The construction of dozens of Roman fortifications in the province of Dacia created, without a doubt, the need for the involvement of the local population in the region. On the other hand, the rich Geto-Dacian ceramic pottery in the towns, such as those from Bologa and Gilau (Cluj County), Bretcu and Comalau (Covasna County), Buciumi (Bihor County), Orheiul Bistrita (Bistrita-Nasaud County) and so forth, constitute incontestable proof of the close ties that were established between the native population and the local garrisons.

Massive recruitment, the creation of certain auxillary units with the ethnic title "Dacorum" (of the Dacians) and the Dacians' penetration into all the categories of Roman military units dispel the authors' interpretations and theses concerning the total elimination of a male population in the Dacia after the 105-106 war, and especially the idea of the "extermination" of the Dacians, of the "flight from Roman rule" and "the very small number of the native population."

Furthermore, it is a suggestive fact that in Dacia, with few exceptions, the epigraphic monuments erected by the active military--who, beginning with the second and third decades of the second century, clearly came from the native population--are written in the Latin language, the same language they spoke during their military service. There are numerous cases where the parents who participated for their part also in the military, took Daco-Thracian names, while their sons took typically Roman names. However, the writing of these inscriptions in the Latin that was used indicates a high degree of rapid assimilation by these people. Along with the introduction of local recruitment, each unit filled out its numbers with recruits from the rural settlements in the immediate vicinity of the camp, with this process being the same in the case of urban centers. This camp-civilian settlement existence or city-rural territory arrangement, in addition to the native Dacians' participation in the economic affairs of the garrisons accentuated and accelerated the powerful

Romanization of the Dacians and not "their elimination from the process of Romanization," as the authors state. The large-scale and intensive use of Latin by the Dacian population in both the rural and urban environments, the retention in Romanian of certain words specific to the territory where it was adopted and spoken, the intensity of colonization, and the powerful military environment in which the Dacian population continued its existence in the Roman province show that the process of assimilating Latin as the official language and its spread to all the provincial areas--expressing the highest degree of Romanization--were rapid and fully possible in the 165 years that Roman rule lasted.

Glossing over and rejecting the content and results of the archeological research conducted in the above-mentioned localities--Obreja, Lechinta de Mures, Sopor de Cimpie, Locusteni--where the presence of Roman items stands alongside Dacian ones, the authors conclude that "the long process of Romanization, a complex process.. cannot be seen in Dacia" and that "observations demonstrate that the remains of the Dacian population could not be Romanized."

Through these types of arguments which are apodictic statements, through willful mystification and ignorance of historical and archeological evidence and through a large dose of ill-will and dishonesty, the authors attempt to smooth over the road for the demonstrations in the following chapters. Again taking up theses long ago condemned by history and attempting to cut the roots of a multi-millenia people anchored in their ancient homeland, the Carpathian-Danubian-Pontic region, "The History of Transylvania" from Budapest reissues regrettable ideas and actions which are similar to Roeslerian, Fascist-Horthyst and revisionist ones.

The wide-spread archeological diggings carried out in our country bring forth from year to year new proof of the Dacian continuity during the Roman era, of the Dacians' living with the Romans and of the fact that in the province north of the Danube they adopted to the Roman style of living, that the cities were the center for spreading civilization and that, although in changed form, life continued in the urban centers even after the Aurelian withdrawal, with it being an axiomatic fact that they continued living in the majority of the rural settlements.

A synthetic, objective view of the settlements in Roman Dacia, based upon the data offered by archeological, epigraphic, numistic and literary sources, shows that the native people lived with the colonists in the cities and rural settlements, even in those near the camps, that there were Dacian settlements and necropolises and that everywhere--even where they preserved the traditional forms of ceramic making and burial rituals--Latin was used as the sole means of communicating between the natives and the newly arrived colonists, and Roman products were used.

The toponymia of Roman Dacia is, in general, of Dacian origin. All the cities, with the exception of Romula, have Dacian names, as do many rural settlements (Buridava, Arcidava, Germisara). The Dacian toponymes recorded in ancient documents and writings, such as Tabula Peutingeriana and the writings of the geographer Claudius Ptolemy, have been preserved due to the fact that the Roman colonists took them from the native people with whom they coexisted and that many of the new

settlements were founded near old ones. The Romans were not able to take over Dacian toponymy after the war in 101-102, as the authors of "The History of Transylvania" claim, because they were not able to conquer all of Dacia in the first war. And, Dacian toponymy could be found up into northern Roman Dacia. Furthermore, Dacian toponymy was maintained during the Roman epoch, which is a reality recognized not only by Romanian scholars, but foreign ones as well.

Events are also tendaciously and insidiously dealt with in the sub-chapter concerning the settlements in Roman Dacia. The authors contest the undoubtable proof of the continuity of the Dacians during the Roman epoch and important aspects of the Romanization process of the native Dacians. Thus, they deny the value of the argument concerning continuity through toponymy of Dacian origins, maintaining--as has been pointed out above--that the names of the localities were taken by the Romans during the first Dacian war at a time when "the Dacian settlements were still in existence," that the process of urbanization in Dacia was delayed, that the cities depended exclusively upon the army and that they did not favor to a sufficient degree the propagation of a Roman civilization and the Latin language. A similar approach to the problem clearly results in an a priori neo-Roeslerian view whereby the Dacians, few in number and non-Romanized, and the Roman colonists--withdrawal together with the army in 271--did not create the Romanian people to the north of the Danube, with this area remaining for many centuries a space open for migrating peoples, with the Romanian people coming into existence to the south of the Danube and moving north only at the beginning of the 13th century!

The new Roeslerians "forget" that in Dacia the urbanization process was progressive and constant, as brought about by the demographic and economic development of certain settlements and by the directed, conscious and willing policy of Romanization conducted by the Roman Empire. This is the explanation for the rapidity and efficiency with which this urbanization process was carried out, with 12 cities attaining the legal status of "municipia" and some of them also later attaining "coloniae" status.

"Colonia Ulpia Triana Augusta Dacica Sarmizegetusa, founded between 108 and 110 by the governor of Dacia, in his position as envoy of the emperor, was the capital of Dacia, the political, administrative and cultural center of the province, and the place where the provincial council met, being recorded in third century inscriptions as "metropolis." Other cities of Dacia were: Napoca (Cluj-Napoca)--a municipality in the time of the Roman emperor Hadrian (117-138) and a colony during the time of Marcus Aurelius (161-180); Drobeta (Drobeta-Turnu Severin)--a municipality under Hadrian and a colony under Septimius Severus (193-211); Potaissa (Turda, Cluj County)--a municipality and colony under Septimius Severus. Dierna (Orsova), Porolissum (Moigrad, Salaj County), Tibiscum (Jupa, Caras-Severin County) and Anpelum (Zlatna, Alba County) became "municipia" under Septimius Severus. There is a special situation in the case of the most important economic and military center of Dacia--Apulum (Alba Iulia), where two cities developed: one, from the towns located to the north, east and south of the camp of the 13th legion of Gemina, which became a municipality under Septimius Severus

and a colony under Traian Decius (249-251); and the other city developed along the bank of the Mures--the current Partos area of Alba Iulia--which became a municipality under Marcus Aurelius and a colony under the same emperor or his son, Commodus (180-192). This city bore the title "Colonia Aurelia Chrysopolis" (Colonia Aurelia "Richest in Gold") in the third century, as is noted in an inscription dedicated to Volusianus in 253. The fact that the civil city had a more rapid rate of development than that of the one around the camp represents yet another blow to the false thesis put forth by the Hungarian authors that the cities depended upon and were exclusively developed in connection with the army.

The cities of Dacia, surrounded by walls and having two main streets which cut through them, had within their walls public buildings, markets, cultural edifices and private buildings. Outside the walls, there were amphitheaters (discovered at Sarmizegetusa, Porolissum and Micia) and all along the access roads there were necropolises.

With the exception of Roman Sarmizegetusa, whose inhabitants were Roman citizens, the other settlements progressively attained the status of city, an explainable fact not only by virtue of colonization or successive colonization, but also by the integration of the native people in the urban affairs of the province.

In addition to the settlements having status of city in Dacia, there also were settlements which research has shown had a quasi-urban development, such as (micia (Vetel, Hunedoara County), Aquae (Calan, Hunedoara County), Alburnus Maior (Rosia Montana, Alba County), Sucidava (Celei, Olt County) and so forth. Among these, Micia and Aquae are mentioned as "pagi" in inscriptions. These were not rural settlements, as was believed, but rather territorial districts within the territory of the Sarmizegetusa Colony, having independent leadership--"magistri" at Micia and a "praefectus" at Aquae. Typical hand-worked ceramics, of Dacian origins discovered at these settlements, attest that the natives participated in the affairs of these two localities.

The localities of Roman Dacia are not reduced merely to cities or to those with a quasi-urban development. There are over 600 settlements that have been discovered by archeologists having a agricultural-pastoral nature, settlements for workers in mines, quarries, salt mines or farms (villae rusticae). In addition to these, we can add the towns surrounding the camps. Everywhere the material culture bears the Roman mark, with products in most cases being made in Dacia, alongside which persisted those products of Dacian tradition.

It is true that with the transformation of a portion of Dacia into a Roman province there was an end to the life of certain fortified centers from which the population was moved to other regions, as happened with the settlements in the center of the Dacian state in the Orastie Mountains. It has been found, however, that most of the settlements from the period prior to the conquest also continued during the Roman era, such as Sibiu-Gusterita, Slimnic, Rusi, Lechnita de Mures, Sfintul Gheorghe-Iernut and so forth. At the same time, new settlements appeared, such as Sacadate, Bradu, Ocna Sibiului and so forth. Even if most of the cities of Dacia were located along the main routes from the Danube into northern Dacia to Porolissum and were linked by the network of roads which crossed the Roman Empire--in the west and in central Dacia--, in the eastern part of the province there was a high density of Daco-Roman rural settlements.

There is significance in the fact that in the Roman camps, such as those at Bologna, Buciumi, Bumbesti, Comalau, Gilau, Mehadia, Oreheiu Bistritei, Porolissum, Risnov, Vetel and so forth, there was a powerful Dacian presence, proving their coexistence and participation in different pursuits.

Continuing their string of mystifications, the authors do not find it necessary to pause, for example, on the provincial Roman art in Dacia, which undoubtedly offers sufficient elements concerning the persistence of the Dacian population and the phenomenon of mutual influence, as well as the blending of the two civilizations in the field of artistic work. We will give this as an example in order to prove that the Romans were in the middle of the existing Dacian population before and after the Daco-Roman wars: the funeral monument at Casa pe Someș, so well-known in the scientific world, where Ilius Crescens on the stele of the Casa appears dressed in the most characteristic, local Dacian robe! It is known, likewise, that in Dacia--continuing an old Thracian tradition seen both in funeral relief and in votive relief--the iconography of the Danubian cavalryman was born and spread far. In all provincial-Roman art in Dacia we can see the local, Dacian facet as a natural reflex of the presence of the local people and their participation in the Daco-Roman synthesis in Dacia. But, the passion and preconceived ideas of the authors have also eliminated scientific objectivity this time. It must be known that the native people also mastered the crafting of sculptures in stone and even if the results of certain less experienced hands, they nonetheless bear the mark and sincere and authentic message of the work of native, popular art. Even within the general framework of Roman provincial art, the art from Dacia has a specific nature springing precisely from enduring local population, which the authors want "eliminated" at any price! Similarly, in the category of certain tools we can find a blending of the two factors, one Dacian and one Roman. In this regard, we can note that the typical Dacian plough coulter does not disappear in 106, but, on the contrary, it endures for centuries after the conquest, which proves that the Dacians continued to inhabit the same ancient homeland and provide the manpower in their villages. At the same time, on the rural Roman farms and on the lands of the Roman landowners Roman tools were used. In storage areas and in cultural levels, the two types of ploughs, one Roman and one Dacia, appeared together. Is this not, in addition to so many others, a proof of the endurance of the Daco-Roman population? The Roman owners and tenants were permanently in contact with the local agricultural workers. Thus we are also able to explain the presence of certain Latin inscriptions within the village environment, as well as the depositing of monies before and after the conquest as done by the local people. Without a doubt, no objective scientist can contest--as the authors of this book from Budapest do--that the cities and military centers represented an active center in the process of blending together the two civilizations and of the ethnogenesis of the Romanians. Such a process also took place in the village environment, with this involving all the population. In stressing the role of the Dacian factor and the Roman factor, N. Iorga substantiated the scientific view of blending the two essential elements of the Daco-Roman synthesis and our ethnogenesis. N. Iorga had also been helping in the archeological discoveries, now better than half a century ago but exceptionally valuable in our times, which the authors of "The History of Transylvania" pass over quietly. In 1934, 54 years ago, one of those present (D. Berciu), keeping

in mind the research done in Lower Dacia, thus saw the blending of the Dacians and the Romans--an idea retained by N. Iorga: "Urban life, superior in its Roman forms, did not remain isolated from local, simple, rural affairs of the native people. These people borrowed, they imitated pottery, they exchanged money and they traded all kinds of things. It was a cooperation by both parties. Sometimes we discover both associated civilizations, be they in Roman settlements--civilian or military--or in the modest settlements of the local people. Thus began the process of our Romanization."

The authors of "The History of Transylvania" have dishonestly neglected the entire current archeological documentation in our country, and when they do refer to it their interpretation is completely non-scientific and tendacious. All the specific facts lead naturally to the conclusion that the process of ethnogenesis and the blending of the two constituent elements of the Romanian people were a complex process, that it included all the areas of the Dacians' material and spiritual affairs, that the local population was not "exterminated"--as the authors of "The History of Transylvania" state--during the course of the two wars, that it continued to develop on the same lands, that there was a permanent coexistence between it and the Latin-based Roman elements, that the Daco-Roman synthesis took place by way of a deep process and that the Romanian language itself crystalized to the degree in which the ethno-cultural Daco-Roman blending took place. The Dacians who had created a unified and advanced civilization--something the authors of "The History of Transylvania" quietly pass over and deny the millenia-long unified Thracian basis--were more easily able to adopt and to assimilate the superior Roman technical processes and the Roman style of living. They experienced a powerful social-economic development during the period of Roman rule, as brought to light by archeological discoveries, as well as for the free Dacians. The Roman factor had become more and more active in the genesis of the Daco-Roman synthesis, which also involved the free Dacians who could be found beyond the borders of the province of Dacia and Lower Moesia, but who permanently maintained contact with their brothers and had close relations with the Romans. The archeological and numismatic discoveries made in the territories inhabited by the free Dacians--in Maramures, Crisana, Bukovina and all of Moldavia--show that they were also caught up in the Romanization process and the blending of the two civilizations. It is sufficient for us to note that in nearly all the village settlements of the free Dacians you can find proof of the Dacian and Roman civilizations. Thus, at Panic in Salaj County, 14 kilometers from the Roman settlement we found in the houses there a significant inventory of Roman items associated with others of a native, traditional Dacian nature. The same situation can also be encountered at Mediesu Aurit in Satu Mare County, and not just there. The free Dacians played an important role in the process of continuity and the general Daco-Roman synthesis. They preserved permanently the link with their brothers in the province and brought elements of Roman culture into free Dacia, spreading it and in this manner contributing to the rebuilding of the unity of ancient Dacia, this time as a Daco-Roman one. Through the free Dacians there was a reinforcement of the persistent Dacian basis and the vitality of Daco-Romanism. The vestiges of the culture of the Daco-Roman population have been found in all the former Roman cities (Apulum, Napoca, Moigrad, Drobeta, Porolissum and so forth) and in numerous village settlements. Coins dating from after 271-275 and discovered

in Transylvania--as well as throughout the entire territory of Daco-Romania--belong to the local people and not to other peoples.

The military conquest and transformation of a portion of Dacia into a province opened the road for the penetration of the Latin language and culture and created the premises for an irreversible process of ethnogenesis. The simple military conquest is nothing more, however, than one of the conditions of Romanization, one that was necessary, but not sufficient. Continental Greece, for example, was conquered in 146 B.C. and remained part of the Empire until its end without ever being Romanized. The cultural prestige of the Greek language blocked this Romanization (not, however, the penetration of certain important Latin elements in the Greek vocabulary). Romanization could not take place except where, on one hand, there was a sufficient number of native speakers of the Latin language (or even persons for which Latin was the main means of communication) and, on the other hand, a motivation for the local people to learn Latin. This is so since it must not be forgotten that Romanization is not the equivalent of the presence, no matter how massive, of certain number of Romans, ~~the~~ rather necessarily presumes the acceptance over the generations of Latin by the local people, first of all as a secondary means of communications and, later, as the main means, until the end when it is the sole means.

Now it is for us to examine whether Dacia meets these conditions and whether, in other words, there were transmitters and receivers of the Latin language (a fact denied by the authors of "The History of Transylvania"). The transmitters were: 1) the Roman troops deployed in the province and spread out in military camps throughout Dacia (to the extreme eastern limits, very near the arc of the Carpathian Mountains, to Angustia--today Bretcu in Covasna County); 2) administrative and financial clerks; 3) tradesmen, craftsmen and workers; 4) various colonists, both urban and rural, with and without Roman citizenship. The "synthesis" text is the celebrated passage from Eutropius, 8:6.2: "Traianus, uicta Dacia, ex toto orbe Romano infinitas eo copias hominum transtulerat ad agros et urbes colendas" (Trajan, after the defeat of Dacia, transferred to Dacia from all over the Roman world an unending multitude of people in order to cultivate the fields and populate the cities). Spread throughout Dacia, these speakers of the Latin language were the point of departure for linguistic Romanization in a first stage of the process, which we can call the "implantation" of the Latin language.

The receivers were made up of the overall native population, first of all the inhabitants of the cities and the settlements immediately nearby, later also those in the villages. What were to be the determining factors for their learning Latin? Without a doubt it was not compulsion: the Empire did not have a systematic "language policy" and it was not concerned with the assimilation of conquered peoples. It was not admissible, however, for officials to ignore Latin. The urge came from within: contacts with the Romans were strictly necessary for the obligatory relations with the administration, for the exercise of trade and crafts, for the sale of products and for their participation in all economic affairs, with this experiencing sharp growth after the conquest. To all of this, we can also add the prestige of Latin as a language of the Empire and the bearer of an advanced culture. The first stage of learning Latin, which we can place in

the era of "implantation," must have had a purely practical purpose--the establishment of a minimum level of indispensable contact with the Latin culture, but the Latin spoken by the local people had to be sufficiently far from the literary norm. In a second stage, when the local people were more actively participating in the new life of Roman Dacia and when they were enrolled in the army, the language spoken by the natives was less and less dissimilar from that spoken by the colonized Romans. The spread of schools, the intensification of urbanization and the development of cultural life made Latin become the sole means of communicating for the entire population, regardless of their origins. This resulted in the "correction" of the language, bringing it close to the linguistic standards of the Empire (this standard is not identical to that of the language of formal literature, but represents the common language of civilization, a means of understanding between the inhabitants of the Roman state, conventionally known as "vulgar Latin"). There certainly were small provincial differences and a portion of this was due to precisely the native contribution to the Latin vocabulary there, differences accepted however by the colonists and their descendents (linguistic unification overlaps with ethnic unification, as achieved over the course of many generations. There no longer are Romans, on one hand, and Dacians, on the other, but rather Daco-Romans). Thus, the provincial Latin was penetrated by the names of plants or animals (retained in Romanian in the form of fir tree, gooseberry, thorn, pea; stork, crow, badger), terms referring to the lay of the land (pond, hill, bank), to settlements and houses (hamlet, fence, fireplace), to pastures and raising cattle (shepherd, foal, sheepfold, pen) and so forth. All these terms got into Latin in Dacia, a fact which stems from their phonetic and morphological structure, one identical to Latin: badger has the same structure as rabbit, cheese with lard, and so forth. But, regardless of the scope of the Dacian contribution the elements of Latin unity dominate and the Romanian language of today is the uninterrupted continuation on the same territory and without enclaves of any pre-Roman language, of a unified Latin language spoken to the north and to the south of the Danube, in Dacia and in the two Moesias (contact with the populations located on the two banks was intense at least until the 12th century). It was characterized by a phonetic and morphological archaism which had its origins in the correct nature (compared to the norms for vulgar Latin) of the language spoken there in ancient times. This is basically the preemptory proof of Romanization and it has in its favor documentary and logical evidence, being recognized by the international scientific world. Just for an example, we will cite a passage by the renown Indo-European expert from Yugoslavia, R. Katicic: "The so-called Romanian area closely coincides with that of the province of Roman Dacia. It is likely we can derive the Romanian language from Dacian vulgar Latin, from Dacian Roman." After he also explains the theory of the south-Danubian origins of the Romanian language, the author continues: "the Romanic population to the south of the Danube also without a doubt participated in building the Romanian language. But, it is not understandable why we should have to admit that the vulgar Latin to the north of the Danube was totally eliminated after the evacuation of Dacia." The basic requirements of clear scientific research, that without preconceived ideas, were unfortunately ignored by the authors of the recent "History of Transylvania."

The problems refer to: 1. the period of Roman Dacia (106-271) and 2. the period after the withdrawal of the administration and the army. The first question can be asked as follows: Were the 165 years of Roman rule sufficient for Romanization when in other regions the process was much longer and was not completely achieved? The secondary questions refer to the linguistic status of the transmitters and receivers, as well as to the persistence of the native population in the province. With regards to the first question, one could answer, even in perfectly good faith, they were not and precisely for that reason in the past there were attempts to extend the period of time (we will not discuss here the fallacies of certain dilettantes who have done a great disservice in informing the public through their noisy statements concerning the descendancy of Latin from Dacian and so forth. This has no connection at all with science and there never was a point of contact from any direction between this group of dilettantes and the scientific movement). It was thus felt that Romanization was facilitated by, even prepared by, the older contacts between those to the north and south of the Danube which led to an early bilingualism for some of the Dacian social classes and those at the top of the hierarchy. Such contacts took place beyond a doubt and the existence of certain persons who knew the Latin language (in addition to the Roman technicians and merchants who carried out their activities in Decebal's kingdom) certain. But, a preparation of this type for Romanization is not a necessary hypothesis since, under certain conditions, Romanization is possible in 165 years (which totals six to eight generations): the start and rate of movement of the process does not depend upon the length of the Roman rule but rather upon the intensity of the Romanization itself. Thus, in order for the positive response which we gave to the first question to be proven, we must clarify the problems concerning the use of Latin in the army and by the colonists, as well as the nature of the contacts between the conquerors and the native people. And, precisely on this point, one can see purposely simplified use of documents by the authors of "The History of Transylvania." It is known that the Roman army in Dacia, as well as throughout the entire Empire, was made up of units stemming from the numerous regions, some of them coming from Greek or Eastern regions. Even more, several inscriptions have been found which attest to the use of their maternal languages in the Eastern religions practiced by the soldiers. This is the source of the hasty conclusion reached by the pseudo-historians in Budapest, that the Roman soldiers did not speak Latin and that they could not spread that language. How could one imagine, however, that in a centralized state like the Empire which survived especially serious external pressures over centuries thanks to its army that the soldiers would not know the official language? It was precisely the fact of their coming from diverse regions that required them to use Latin so they could understand each other. The military element also made its contribution to Romanization after the conclusion of their military service by settling in the province (where they were given land). This reality is denied by the authors of "The History of Transylvania" in such a manner which leaves even the unknowing reader stupefied. Beginning with the fact that to the south of the Danube three inscriptions and a military diploma belonging to some veterans from Dacia were found, they reach the conclusion that these four texts "demonstrate" without a doubt the migration of veterans from Dacia! But, individual movements were a common thing within the limits of the Roman Empire: we find veterans from Dacia in other regions as well, so much farther away (Asia Minor, Macedonia and so forth). On the other hand, they tell us nothing about the veterans who stayed

behind in Dacia. Only in volumes II and III of the new collection "Inscriptions of Roman Dacia," do we find 47 inscriptions from veterans, of which 27 are funeral inscriptions. The same thing can be said about Latin as the common language of the colonists who came "ex toto orbe Romano." If local linguistic individuality had been maintained, there would have been no justification for the statement sent to Rome at the beginning of the fifth century by an original poet from one of the outer provinces, Gallia: "fecisti patriam diuersis gentibus unam" (you have made a unified country for different people - Rutilius Namatianus, "De reditu suo," I, 63). With regards to the receivers of the Romanization, their persistence is sufficiently supported by the archeological proof for continuity of inhabitation to deny the idea of the extermination of the Dacians in combat, by massacres and by mass emigration. The local population had a permanent and intense contact with the army and the colonists, proven archeologically by objects of traditional Dacian origins found within and around Roman settlements. And, in order to proven the "inability" of the colonists to spread Latin, one can point out the presence within the province of certain...illiterates, just as if we could project the standards of 20th century civilization into the second century. Actually, in four work contracts from Transylvania the owner does not sign the documents but rather addresses it to a professional scribe "quia se litteras scire negauit" (since he said that he does not know how to read), but the authors of this false history pass right over this and 20 other similar contracts signed by parties and sometimes also by witnesses. In light of these findings and the above conclusions, we can see the total lack of scientific basis, as well as the tendentious nature of the theses of the authors of "The History of Transylvania:" "The replacement of language, which represents the highest level of Romanization, and the acceptance of Latin as the maternal language cannot be demonstrated in Dacia, nor can the historical development have made it possible."

What was the situation after the withdrawal of the Roman administration? The authors return to the old use of sources which speak of a practically total withdrawal of the population from the province, stressing the fact that there is no proof of the use of Latin to the north of the Danube after 271, that the remnants of the population would have been certainly later destroyed and that it could not constitute the nucleus for the creation of a Romance language. We will not take up this discussion here, but we will stress several facts. No one has ever maintained and no one does maintain that only in Transylvania was the Latin from Dacia perpetuated. Romanian stems from the Latin from both banks of the Danube. No matter how paradoxal it might seem, the Romanization process was developed with its own forces and during a difficult period after the withdrawal, since two favorable conditions persisted: Latin enjoyed the prestige of being a language of the Empire, one opposed to the "barbarians," and, after the third century, it was the language of Christianity, one opposed to the pagans. With regards to the purported destruction of the population during the migrations, this cannot be taken into consideration since the terrain conditions (mountains and forests) gave safety to the Romanians during times of crises. Furthermore, the Romanian people were able to assimilate the migrators who settled down (first of all the Slavs).

And, the proof of continuity (in addition to the rare Christian inscriptions and unclear statements in certain texts) exists. We will give some of them that are too little brought into discussion. In 341, Ulfia (Wulfila), of Gothic origin, was named bishop for the area to the north of the Danube. The significance of

this administrative act is stressed by a French specialist in the history of Christianity, R. Gryson, the editor "Scolilor ariene la Conciliul din Aquileia" (The Aryan Schools at the Council of Aquileia); with the Goths for the most part being pagans, Ulfila was named bishop "to take over the leadership of the Christians living on the Gothic territory. These Christians were recruited from the descendants of the Romanized population of the region, which had been part of the Empire until the reign of Aurelius... It is known that the customs of the old church was not to send a bishop to evangelize a pagan territory, but rather to wait for the existence of a nucleus of believers so as to give them a leader and recognize them as an autonomous community." Thus, to the north of the Danube there was a sufficient number of Christianized Romanics to make it necessary for Constantinople to name a bishop.

Finally, in "The History of Transylvania" there is an obsessive idea, that of the semi-nomad, pastoral nature of the Romanic population, which later became a Romanian population. Language can offer a refutation to this assertion: numerous terms from Romanian which prove the sedentary way of the people are inherited from Latin. We will list several here: from the household--house, wall, door, gate, window, pantry, courtyard; for furniture--table, chair, oven; from economic affairs--buying, selling, price, deal, borrow, debt; from social affairs--mister/ruler, district, county, neighbor; and in agricultural terminology they preserved the names of all the grain crops (with the exception of oats) and numerous cultivated crops which require a long-term settlement. Similarly, the agricultural operations have Latin names: ploughing, seeds, seeding, grinding, mill, whetstone and so forth.

We clearly believe that the above shows that the recent counterfeiting of "The History of Transylvania" is corrupted by preconceived ideas that are foreign to demonstratable and demonstrated reality, and the arguments used to support these ideas are--and it can be no other way--flimsy, with these constituting a book that is not sound, tendentious and filled with false ideas that are designed to serve other purposes that are foreign to the bringing together and understanding between peoples.

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CSO: 2700/197

VOL 1 OF PROJECTED SERIES ON JEWISH LIFE IN ROMANIA REVIEWED

[Editorial Report] Bucharest ANALE DE ISTORIE in Romanian No 3, 1987 publishes on page 150 a short book review by Ion Mamina of volume 1 of a projected series of volumes entitled "Sources and Testimony Concerning the Jews of Romania." Published in 1986, the first volume is edited by Victor Eskenasy and contains a foreword by Dr Moses Rosen, a preface by Dr Alexandru Vianu and an introductory study by the editor. The book has 164 pages along with 35 introductory pages and 20 pages of plates. The reviewer quotes from page XIV of the preface wherein the purpose of the collection is stated as being "to illustrate the Romanians' consistent humanism in living together with coinhabiting nationalities and, at the same time, to dispel calumnies stated in certain foreign publications as regards Romania's national policy toward the Jewish population, thereby increasing our country's prestige around the world." According to the reviewer, the volume pools together "194 historical sources" covering a period "of Jewish life on Romanian soil from 133-1699." The editor is listed as one of the seven selectors and as one of the six translators who worked on these sources.

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CSO: 2700/223

BRIEFS

DEPARTING JORDANIAN AMBASSADOR--Bucharest, 29 Apr (AGERPRES)--Romania's President Nicolae Ceausescu received on Wednesday Nasir al-Batayinah, ambassador of the Hashemite Kingdom of Jordan to Bucharest, at the end of his mission in Romania. During the talk on the occasion reference was made to the good Romanian-Jordanian ties, willingness being expressed to work for their further development both bilaterally and internationally. The Jordanian ambassador thanked for the support he was granted by President Nicolae Ceausescu, the State Council and Government of Romania to fulfill his mission in Romania. [Text] [Bucharest AGERPRES in English 1546 GMT 29 Apr 87] /9604

CEAUSESCU RECEIVES BANGLADESH AMBASSADOR--Bucharest, 29 Apr (AGERPRES)--The president of the Socialist Republic of Romania, Nicolae Ceausescu, received, Wednesday, 29 April, Anwar Hashim, ambassador of the People's Republic of Bangladesh in Bucharest, upon his request. The ambassador of the People's Republic of Bangladesh conveyed President Nicolae Ceausescu and Madame Elena Ceausescu cordial greetings and the best wishes from President Hussain Mohammad Ershad and Madame Raushan Ershad. President Nicolae Ceausescu thanked and asked that greetings and the best wishes be conveyed to the president of the People's Republic of Bangladesh and his wife from Madame Elena Ceausescu and himself. During the talk, emphasis was placed on the good relations of friendship and cooperation between the two countries as well as on the great significance of the top-level understandings made in Dhaka last March for the further development of the multilateral cooperation between Romania and Bangladesh in the mutual interest, in the interest of the cause of international peace and understanding. [Text] [Bucharest AGERPRES in English 1541 GMT 29 Apr 87] /9604

JAPANESE EMBASSY RECEPTION--Bucharest, 29 Apr (AGERPRES)--On the National Day of Japan and Emperor Hirohito's birthday, Japan's ambassador in Bucharest, Masanari Ozaki, gave a reception Wednesday, 29 April. The attendance included Gheorghe Petrescu, Romanian deputy prime minister, ministers, leading representatives of central institutions, men of art and letters, generals and officers, journalists. Heads of diplomatic missions accredited to Romania took part. [Text] [Bucharest AGERPRES in English 1921 GMT 29 Apr 87] /9604

CSO: 2020/107

KESSLER PRESENTS AWARD AT END OF GST CONGRESS

LD160216 East Berlin ADN International Service in German 1839 GMT 15 May 87

[Text] Karl-Marx-Stadt, 15 May (ADN)--The Eighth Congress of the Society for Sport and Technology [GST] concluded in Karl-Marx-Stadt on Friday with the election of the society's leading organs. Vice Admiral Guenter Kutzschebauch was reelected chairman of the Central Executive.

On the concluding day of discussions, the socialist military organization received the GDR's highest military award, the Scharnhorst Order. Army General Heinz Kessler, member of the SED Central Committee Politburo and minister of national defense, presented the award on behalf of Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council and National Defense Council of the GDR. The decoration was awarded to the organization in recognition of outstanding achievement at the suggestion of the SED Central Committee Politburo and on the decision of the GDR State Council.

Vice Admiral Kutzschebauch expressed thanks for the great honor. The GST will continue, through military-political education, premilitary training, and military sport to contribute to the development of socialist personalities who love their home and are at all times ready to fulfill their patriotic duty to defend peace and socialism. The more than 1,200 delegates approved a letter to Erich Honecker with great applause. In it, the members of the socialist military organization assured that they unanimously support the policy of the party of the working class and are determined universally to fulfill the decisions of the Eighth GST Congress.

The second day of the congress continued with the discussion in the morning in the presence of Army General Heinz Kessler, member of the SED Central Politburo Committee, and Siegfried Lorenz, member of the Central Committee Politburo and first secretary of the Karl-Marx-Stadt bezirk executive, and other personalities. The speakers reported how they were putting into practice in their collectives the "GST commitment 11th to the SED Congress." A total of 34 delegates and guests spoke at the congress.

The greeting of a delegation of defense-ready youth was received enthusiastically. Eberhard Aurich, first secretary of the FDJ Central Council, said the most important common concern of the FDJ and the GST was to prepare young people for military service in such a way that they make it an important period of their lives.

At the start of his speech, which was accompanied by much applause, Army General Heinz Kessler conveyed to the delegates and guests of the congress, on behalf of Erich Honecker, the most cordial militant greetings of the GDR party and state leadership. The defense minister stressed that today everything depends on the preservation of peace, on the prevention of a nuclear inferno.

The congress concluded with the election of the leading GST organs. The following belong to the Secretariat of the GST Central Executive: Vice Admiral Guenter Kutzschebauch, chairman; Major General Dr Werner Eltze, Manfred Kindt, Colonel Eberhard Koellner, Colonel Rolf Pitschel, Captain Guenter Poller and Colonel Heinz Wittek, all deputy chairmen; and Eberhard Zenker [no title as received]. Otto Loesche was reelected chairman of the Central Auditing Commission.

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CSO: 2300/306

LENART ADDRESSES HIGHER EDUCATION AKTIV

AU041701 Bratislava PRAVDA in Slovak 27 Apr 87 pp 1, 2

[CTK report on speech by Jozef Lenart, CPCZ Central Committee Presidium member and first secretary of the CPSL Central Committee, delivered at an aktiv [working conference] of party and state functionaries of the Slovak institutes of higher learning in Bratislava on 25 April: "Important Place in the Process of Acceleration"]

[Excerpt] In his speech Jozef Lenart, CPCZ Central Committee Presidium member and first secretary of the CPSL Central Committee, spoke about the role of scientists and universities in the restructuring of economic mechanism. He said that these tasks are not new, but within the framework of the strategy of acceleration they become more urgent and require a broader and a more comprehensive approach. It is necessary to strengthen conceptual management and control from the center, and transfer as many decision powers as possible to schools, departments, and chairs. Each university must find its place in the development trends connected with the Comprehensive Program for Scientific and Technological Progress of the CEMA Member States Through the Year 2000 in research and pedagogical work. He said that the needs of today, but particularly those of the future, require that we compare ourselves with the world's dynamic development, and not with the results we achieve in the past.

The crucial instrument for realizing the revolutionary objectives of restructuring at the universities is personnel work, to stimulate competence and creativity, ensure that at schools there are active, quality individuals with high political, professional, and ethical standards. Personnel who are merely capable of carrying out orders in an administrative way are not managers and it is undesirable that they should manage. Consistent implementation of the party's leading role means developing intraparty relations combining, in the spirit of democratic centralism, intraparty democracy with a high degree of responsibility and discipline, systematically implementing the right to control, concentrating on the quality of work. The activity of communists and of individuals without party affiliation must be oriented toward the vital issues of the workplace including personnel issues, toward motivating work collectives and creating an exacting and creative work atmosphere at the institutes of higher learning.

Jozef Lenart also spoke about the prospects of further developing CSSR-USSR cooperation in connection with the talks during the recent visit to our homeland by Mikhail Gorbachev, CPSU Central Committee general secretary. Possibilities for more effective cooperation exist, in particular, in the sphere of nuclear power engineering, electrical engineering, consumer electronics, biotechnologies, invention of new materials, specialty chemistry for veterinarian and human medicine, and in several other spheres. He also stressed the importance of the CPSU's peace policy offensive. In this connection, he emphasized the special responsibility of our international scientific front for the future of mankind. The present times, he said, require the intensifications of scientists' cooperation in the struggle for peace, as well as against disease, and ecological and other problems threatening mankind.

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CSO: 2400/305

ADAMEC TOURS SOUTH BOHEMIAN WORKERS' COLLECTIVES

LD272341 Prague Domestic Service in Czech '600 GMT 27 May 87

[Text] Ladislav Adamec, member of the CPCZ Central Committee Presidium and Czech premier, during working visit in the South Bohemian region today acquainted himself with the fulfillment of economic tasks and the national committees' efficiency.

At debates, he spoke about the need to reinforce the authority of the plan, because any effort by economic workers to soften it results in the worsening of the supply-and-demand relationship.

In workers' collectives of the Strakonice textile enterprise [word indistinct] and the Sumavan Vimperk underwear production factory, he spoke about the economic restructuring mechanism and the problems of innovation and supplies for the domestic market. He was also interested in the implementation of the enterprises' social programs and care for working women.

Ladislav Adamec also discussed in workshops the application of the latest science and technology findings and said that this desirable line in speeding up development is still not an active part of enterprises' plans.

At the meeting with deputies and staff of the Vimperk City National Committee, he emphasized the importance of care for the environment and the need to increase attention for meeting the needs of the people.

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CSO: 2400/305

TWO KINDS OF 'KHOZRASCHET' NEEDED

AU211859 Prague RUDE PRAVO in Czech 15 May 87 p 5

[Interview with Milous Cermak, candidate of sciences and assistant professor at the CPCZ Central Committee's Political College to Jiri Kohout: "Economic Accountability [khozraschet] and Management; A Word on Economic Theory"--date and place not given]

[Excerpts] The restructuring of the economic mechanism often gives rise to theoretical questions about its main components. Economic accountability is a sphere on which views particularly differ. The problems arise when the substance of this category, the conditions of its emergence, the internal links between economic accountability and the economic laws of socialism, and the possibilities and limits of its use in the planned management of the economy are explained. We talked about all this with Dr Milous Cermak, candidate of sciences and assistant professor at the CPCZ Central Committee's Political College.

[Kohout] We can still encounter the simplified idea that economic accountability is a kind of "socialist form" of a capitalist firm's economy.

[Cermak] Such a simplified view is based on certain organizational and technical similarities. These include, for instance, accounting in monetary units. But the substance of economic accountability is different in its qualitative aspect. The basic condition of the existence and implementation of economic accountability is the socialist social ownership of means of production and the central planned management of the socialist economy. Economic accountability is based on economic relations between the socialist society as a whole and the individual, relatively independent, production units. It is a form of these relations. As a method of management it envisages the working people's participation in management. A key statement would say that a capitalist's interest prevails in a private enterprise--whereas in a socialist enterprise the decisive thing is the society's interest.

[Kohout] Why can the entire economy not be managed as one large enterprise?

[Cermak] Such views did exist, even in theory, but they were an expression of subjective--although well-meant--wishing which failed to respect the objectively existing stage of the development of production forces, the socialization of the production process, and the nature of social work, which are currently still characterized by large-scale machine production and by the division of labor connected with it. Industrial production is effective if it takes place on a certain scale. It is extremely difficult to define the precise size of individual production units.

The size of basic production units and the economic independence linked to it depend on the material level of production forces. But the economic, organizational, and management criteria of the size of a production unit are no less important. A particularly important condition is the ability to react well, efficiently, and at the same time flexibly, to the society's needs, which are manifested as a demand for commodities.

As a method of planned management and economy, economic accountability proceeds from three main principles. First, from the economic-operational independence of the enterprise; second, from the economic incentives and responsibility of the collective and of individuals, which are based on the self-financing principle; and third, from the principle of cost accounting. It is important to realize, and particularly to respect in practice, that economic accountability demands the consistent and uniform application of all these principles.

[Kohout] This is linked with the creation of conditions for economic accountability within the management system and with the division of functions between the center and the economic accountability unit....

[Cermak] The installment of economic accountability does not mean that the principles of economic accountability are to be applied to all management levels of the economy to the same extent. Full economic accountability can be linked only with one management level; the other levels work with what is basically known as partial economic accountability [neuplny khozraschet]. This means that the operation of a given production unit is subordinated, by directions set in advance by the supraordinated agency; thus the unit's economic independence and responsibility are limited. For example, within an enterprise working according to khozraschet, a plant or operational section would have a partial economic accountability.

[Kohout] According to this, national economy should have two main kinds of production units: enterprises managed on the basis of partial khozraschet and enterprises working according to full khozraschet.

[Cermak] That is right. We are familiar with the activities of enterprises operating according to partial economic accountability from our current practices.

Enterprises under full khozraschet should compile their plans independently, on the basis of rules set by the state plan. These will firmly establish both the duties of an enterprise with regard to the society and the norms

of creating, distributing, and using its assets and possibly a specific task or state order. At the same time the principle should apply that losses caused by a direct intervention of a supraordinated agency should be paid for by that agency.

[Kohout] The application of economic accountability envisages substantial changes in the very methods of planning and management. A new term has cropped up: "Khozraschet planning" [khozraschetni planovani]....

[Cermak] The specification of rules and conditions for an efficient economy of organizations and their socialist entrepreneurship must become an important part of the contents of the central agencies' activities.

In this circumstances, the methods for creating the state plan require that the natural and value ratios of the reproduction process are mutually harmonized and economically optimized. This essentially means that the so-called material plan must be inter-linked with the financial plan, and planning must be linked to the khozraschet method of management. It is in this context that one speaks of "khozraschet planning."

[Kohout] Thank you for the interview.

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POLITBURO, STATE AUTHORITIES SET GOALS FOR 1988 ECONOMIC PLAN

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["Joint Directive of the SED Central Committee Politburo, the GDR Council of Ministers, and the FDGB National Executive Committee on Preparing the 1988 National Economic Plan and on Thoroughly Discussing Its Targets and Tasks with the Working People"]

[Text] The preparation of the 1988 national economic plan in the combines, enterprises, cooperatives, and institutions, as well as in the local and central state organs and the comprehensive discussion of its targets and tasks with the working people are characterized by the creative work of the GDR people to further successfully implement the decisions of the 11th SED Congress. This work is aimed at continuing--for the welfare of the people, the overall strengthening of socialism, and the safeguarding of peace--the tested course of the unity of economic and social policy as the core of the economic strategy by means of high performances.

Guided by the yardsticks set by the 11th SED Congress, it is necessary to comprehensively implement the basic orientations given by Comrade Erich Honecker, SED Central Committee general secretary and chairman of the State Council, at the Third SED Central Committee Session and at the conference of the SED Central Committee Secretariat with the first secretaries of the Kreis leaderships.

The actions of the working people to struggle for product-related overfulfillment of the 1987 national economic plan and to work out the 1988 national economic plan is determined by the conscious deeds in the socialist competition led by the FDGB with the binding obligation: "High performance for the benefit of the people and for peace--everything to implement the decisions of the 11th SED Congress!" In this process, which must be guided in a coordinated way, it is necessary to tap all qualitative factors of economic growth with regard to comprehensive intensification and to make them effective for a high increase in national income. The decisions of the 11th FDGB Congress have given new and strong stimuli to the further broad development of the working people's initiatives to accomplish these tasks in socialist competition.

In line with the economic strategy with a view to the year 2000 the preparation of the 1988 national economic plan must consider:

--linking the advantages of socialism even more effectively with the achievements of the scientific-technological revolution and successfully pursuing the struggle for international top positions to keep peace with the dynamic development of the productive forces;

--accelerating the labor productivity increase; producing more quality goods with less input of human and materialized labor; speedily introducing new products into production; quickly realizing top achievements; and reaching good economic results in this process;

--ensuring production growth with decreasing unit input of raw materials, other materials, and energy sources, and reducing the proportion of production input in the finished product by means of increasing refinement for this purpose;

--achieving a generally high quality in production that corresponds to international standards; linking its increase with a high renewal rate; and simultaneously promoting the initiatives for perfect production;

--reaching a higher level of socialist rationalization and automation through the application of modern key technologies on a wide scale; quantitatively and qualitatively strengthening in-house production of rationalization means for this purpose, above all, by means of microelectronics; and improving the working people's working conditions in close connection with rationalization;

--increasing work efficiency; economically utilizing labor potential; using the basic assets as well as possible; guaranteeing order, security, and discipline everywhere; and obtaining working people for shift work through the Schwedt initiative;

--using available investments above all to modernize the basic assets; implementing the plans to introduce top technology according to plan; and using it in an economically effective way for the production of top modern products in high amounts;

--producing more and newer consumer goods of high quality and quantity for supply to the population and for exports;

--guaranteeing a steady and dynamic performance increase, in which connection with the mutual interlacing of science and production, basic and advanced training of the people, and a creative climate in the entire social life is gaining increasing importance;

--steadily deepening intensively expanded reproduction for the benefit of the people and putting it on lasting foundations.

It is necessary to produce more end goods for supply to the population, for the development of the national economy, and for the solution of the foreign trade tasks through new, important progress in comprehensive intensification.

The targets of our country's economic development are being implemented in close fraternal cooperation with the Soviet Union. In this respect cooperation is to be concentrated more on the development and application of high technologies in microelectronics and of other key technologies. Our concrete obligation honoring the 70th anniversary of the Great October Socialist Revolution, which introduced a new era in world history, consists of fulfilling the planned exports to the Soviet Union and the tasks to deepen cooperation in science, technology, and production with high continuity and in accordance with our contracts.

The SED Central Committee Politburo, the GDR Council of Ministers, and the FDGB National Executive Council consider it a priority concern for the further successful implementation of the 5-year plan as a work program of the party and of the entire people to aim management activities at all levels of state and economy with regard to working out the 1988 national economic plan and the 1988 state budget at:

--honorably fulfilling day by day--in industry, the construction sector, agriculture, transportation, and in the other areas of the national economy--the 1988 plan and the accepted pledges for product-related overfulfillment of the plan targets;

--treating the 1988 state targets as binding minimum state demands. They contain the economic requirements and material conditions for the further successful implementation of the 11th party congress decisions aimed at the welfare of the people and peace;

--continuing according to plan with the worthy shaping of the GDR's capital city, Berlin, as our country's political, economic, scientific, and intellectual culture center in 1988, thereby using the strength of the entire republic.

The Berlin FDJ Initiative is the focus of attention in this connection:

--consistently fulfilling the tasks to economically secure national defense and internal order and security as a firm part of the economic policy of the socialist state;

--giving broad room everywhere for the people's creative work, according to the tested principle: "Participate in planning, working, governing." It is necessary to prudently use the great treasure of experiences of the working people to attentively note their suggestions, proposals, and advice, and to eliminate obstacles to their creative initiatives. By comparing the achieved level of performance, new sources for performance and efficiency increase are to be tapped. This is served by the active utilization of the measures taken to perfect management, planning, and economic cost accounting, in particular the more comprehensive application of the principle of self-financing intensively expanded reproduction.

The youth's initiatives in the 11th SED Congress-FDJ Assignment under the slogan "My deed to implement the decisions of the 11th SED Congress" are to be promoted so that all young people can contribute to the economic strength of

the GDR. The scientific-technological creativity of the young people is to be purposefully promoted by comprehensively supporting the FDJ's economic initiatives, in particular the Fair of the Masters of Tomorrow Movement, by expanding the contribution of FDJ youth research collectives to working out scientific-technological top achievements, by increasing the effectiveness of existing youth brigades, and by establishing new youth brigades.

The local state organs must take advantage of all opportunities of socialist team work to set measures of regional rationalization that support production intensification and contribute to further improving the citizens' working and living conditions.

Through qualified management work and setting the tasks for preparing the 1988 plan even in work collectives, brigades, and--if possible--for every individual working person, all preconditions have to be created so that everyone can do his best to strengthen the GDR in line with the slogan "My work place--my combat station for peace."

I. [Roman One]

The preparation of the 1988 national economic plan is to be directed at the following tasks and targets:

1. Based on the considerable results achieved in 1986 and in implementing the 1987 plan, in 1988 labor productivity is to be increased more quickly than net production and the 5-year plan targets are to be overfulfilled. Through broad application of the key technologies, specifically through the automation of entire technological processes and manufacturing stages by means of microelectronics, a higher technological standard in production and overall rationalization are to be achieved. In close connection with this, it is necessary to further improve the working people's working and living conditions.

The 1988 plan is to be prepared such that the performance and efficiency targets can be fulfilled with the available work force.

Through measures of scientific-technological progress and the improvement of production organization in connection with scientific organization of labor high saving of production time is to be increasingly achieved, which is to be brought to bear on the raising of labor productivity.

Main points to fulfill this target are, above all: the further increase of the technical and technological standard of production, in particular the application of microelectronics, whose application is to ensure 20-25 percent of the entire saving of work time; the use of computer technology, including CAD/CAM solutions; the use of flexible manufacturing systems; and robot technology.

The experiences of the Schwedt initiative must be utilized even more comprehensively to gain manpower--by saving jobs--to solve national economic priority tasks. The labor gained is to be used to strengthen production personnel, in particular to expand multishift work and inhouse production of rationalization means, and to increase consumer goods production.

Exact observation of technological discipline and order in the production process and of the stipulations to avoid work accidents, malfunctions, fires, and breakdowns is of particular importance for high economic results. Together with the working people and the trade unions, the managers have to work out, discuss, and implement concrete measures to fully utilize work time and to reduce downtimes within human influence.

Scientific organization of labor is to be aimed at reducing the input of human labor by rationalizing and automating entire production stages and manufacturing lines on the basis of top modern technologies and new products. Main points are work processes with a high share of manual and monotonous work as well as jobs with work hardships. It is necessary to tap further performance reserves and to improve the working people's working conditions through intensified application of scientific organization of labor in auxiliary production processes, in production preparation, as well as in management and administration. The number of people on management and administrative staffs is to be further reduced.

In close and trusting cooperation with the trade unions and the working people, the responsible managers have to prepare the measures necessary to master the new technologies.

By continuing the performance-oriented wage policy, the stimulating effect of the socialist performance principle "from each according to his abilities, to each according to his performance" is to be further increased for the further economic and social progress, the increase of labor productivity, and the socialist attitude toward work and toward social property.

For this purpose it is particularly necessary:

--to further develop productivity-promoting forms of wages and salaries on the basis of performance targets and criteria, aimed at a high speed in increasing labor productivity and product quality, a rise in the utilization of basic assets, an economical use of material and energy, and at a reduction of costs and can be influenced by the working people;

--to use task-specific performance bonuses more purposefully to stimulate scientific-technological top performances with international standards in research, development, and planning, as well as in research cooperation.

1. Enterprises preparing the step-by-step continuation of bonus payment by working out the 1988 plan are to present a production offer as a result of the plan discussion, which ensures the fulfillment of the national economic tasks, particularly with regard to the main targets of comparative performance appraisal, and purposefully overfulfills them in important product positions.

2. The preparation of the 1988 national economic plan is to guarantee the comprehensive utilization of the key technologies in all areas and branches of the national economy to achieve a new quality of economic growth. Top positions are to be reached in decisive fields. Great reserves are to be tapped by increasingly implementing the development and utilization of the key technologies in a widespread way.

For this purpose the development and application of microelectronics, electronic computer technology, the creation of CAD/CAM workstations, and flexible automation are to be continued in a concentrated manner. Production of unipolar and bipolar circuits is to be considerably increased in line with demand.

New types of active component parts are to be increasingly introduced into production, and the yield is to be secured in line with the international level.

Top achievements of international rank are to be reached to an increasing extent, particularly with regard to products and technologies, to keep pace, in close cooperation with the USSR and the other CEMA countries, with the fast international development of productive forces. Here it is necessary to surpass things that are known internationally and to ensure high economic and social results.

In all combines the process of production renewal is to be perfected in terms of quality and is to be made even more effective with regard to the economy. For this purpose, highest economic demands are to be posed on research and development in line with the order of the director general contained in the renewal pass to prepare tasking workbooks for the development of new products and technologies, and creative achievements have to be promoted.

On the basis of demanding targets contained in the tasking workbooks and of the utilization plans contained in the renewal passes, production renewal is to be secured such that product and technology development unite and the newly developed products:

- meet highest scientific-technological and aesthetic demands;
- have a higher utility value and are produced with lower production input, and thus facilitate a high increase in net production and national income;
- become more effective through higher profits for the national economy and, at the same time, for the intensively expanded reproduction of the combines;
- achieve higher rentability in exports;
- and contribute to an above-average extent to raising the level and amount of consumer goods production in the combines.

Production is to be organized so new goods are manufactured immediately in quantities that meet the demand. For this purpose, comparative performance appraisals and analyses are to be used more intensively to discover and utilize economic reserves.

In socialist competition the mass initiative for perfect work under such tested slogans as "My hand for my product," "Everyone delivers quality to everybody else," and "He who wants to buy good quality must produce good quality" is to be comprehensively promoted.

In line with the economic demands of the combines to secure top positions in economically decisive areas, the enterprises' own scientific-technological potential as well as research cooperation with the institutions of the GDR Academy of Sciences and of the university and technical school sector are to be further developed on an economical basis. The GDR Academy of Sciences and the other academies, the universities, and technical schools are expected to produce great results in mathematical basic research, the sciences and technical sciences, and the humanities.

Through refinement of domestic raw materials and secondary raw materials, the supply of a higher amount of new materials to the national economy must be guaranteed.

In all branches and sectors of the national economy high-quality products with advanced scientific-technological parameters are to be produced and offered according to demands from the available raw materials and other materials by means of productive scientific-technological achievements in research, development, design, construction, and technology.

The decisive questions for widespread refinement in the national economy include how to implement effective scientific-technological results by realizing investment projects, how to fully utilize the planned facilities, how to achieve the efficiency targets, and how to widely apply and comprehend utilization of the key technologies.

The sectors of chemical industry, ore mining, metallurgical industry and potash, as well as the glass and ceramics industry sectors, are to supply new, highly-refined, and trend-setting components for the further accelerated application of key technologies, particularly of microelectronics, by means of introducing scientific-technical findings into production. When working out the 1988 national economic plan, appropriate measures must be defined to make possible a high degree of effectiveness on a wide national economic scope.

The reutilization of secondary raw materials and industrial waste products in the enterprise and national economic cycle must be shaped even more effectively. It is important to make further cuts in production expenditures on this basis.

3. A highly economical use of power and materials must be implemented in line with the state tasks for working out the 1988 national economic plan. In view of the standard already achieved, this requires--in all combines, enterprises, cooperatives, and institutions--high scientific-technical performances and ingenious, creative work to bring the qualitative growth factors to bear even more on a stable growth in the national income while cutting specific production expenditures.

--The rational use and the transformation of power must be increasingly utilized to secure the national economy's demands for power. The national economic program for rational use of power in the 1986-90 period must be further implemented in the 1988 national economic plan. For this purpose, the uniform power plan for 1988 must be developed in the ministries, combines, enterprises and territories into an effective tool of management activities.

The initiative of the Jena Carl Zeiss combine to implement in 1987 "full output with less power" must be utilized in the 1988 plan discussion with an effect on the wide public.

Scientific-technical solutions for a rational use of power must be worked out and applied more intensively. This involves first and foremost:

--the increased use of technical measuring and automation equipment for the economical power optimization of technological processes;

--the introduction of power-saving technologies and products favorable from the viewpoint of saving power;

--the increased utilization of waste heat and secondary power, resulting particularly from power-intensive processes in chemical and metallurgical industry.

It is important through the 1988 power plan:

--to bring savings in power sources to bear on correlated balancing;

--to implement the scientific-technical results from the plans for science and technology with high power saving effects on a wide public;

--to materially and technically ensure the crucial measures for a rational use of power;

--to coordinate justified demand for the employment of plants using secondary power with the combines and ministries responsible for correlated balancing;

--to aim scientific-technical work at safeguarding dynamic economic growth through increasing utilization of domestic raw material and power sources, and at insuring the higher utilization of the available raw materials and power sources.

Increasingly higher proceeds must be obtained from each kilogram of material employed. This requires above all the achievement of higher material savings resulting from the effect of key technologies:

--specific material consumption must be reduced by an average of 30-40 percent for newly-developed products of machine building;

--appropriate materials and effective substitution solutions must be used more extensively;

--the scope of application of material and power saving, low waste or wasteless processes and technologies must be expanded;

--constructive solutions must be optimized to save materials through the employment of CAD solutions;

--procedures for regeneration and extending life spans must be used on a wider scale.

The initiatives of the working people in the socialist competition of youth in the FDJ drive "Economical Use of Materials," the FDJ drive "Economical Use of Power" and in the innovators movement must be focused on fully ensuring the state tasks for reducing the specific consumption of national economically important power sources, raw materials and other materials, and for cutting material costs through specific measures of intensification and rationalization in the enterprises.

The norms and norm systems must be brought up to the latest technical-economic level by means of comparisons with top performances of international caliber and they must be taken as the basis for draft plans and balances:

--the performance comparisons of the combines and enterprises must be particularly aimed at overcoming the different levels in the utilization of materials, and at markedly enhancing the degree of utilization of the available power sources, raw materials, and other materials.

It must be guaranteed everywhere through a higher quality of products while concurrently cutting expenditures and consistently implementing the principle of flawless work that no waste of power, raw materials or other materials or of other social expenditures occurs, and that the costs of rejects, touch up work, and of work under warranty clauses are reduced:

--measures must be taken to link performance increases with a rational management of stocks everywhere.

In working out the national economic plan, a greater working capital must be circulated faster. Finding a norm for the material circulating assets must be increasingly based on the results of scientific-technical progress to more effectively shape the circulation of assets in the combines, enterprises, and cooperatives.

In implementing the measures for the perfection of management, planning and economic cost accounting as well as for the further development of the combines' national economic responsibility, the complete synchronization of material and financial management of stocks must be ensured:

--to strengthen the material and raw material basis, the reutilization of secondary raw materials and industrial waste must be shaped in an even more effective manner in both the enterprise and national economic cycles.

A crucial point is continuously supplying the economic processing sectors with ferrous and nonferrous scrap metal, waste paper, waste oil, thermoplastic materials, used glass containers, and wood scraps. The utilization of the components of slags, sludges, lyes, ashes, waste gasses and waters must be ensured in all combines. The tasks and measures for translating scientific-technical findings as well as for setting up facilities for the collection and recycling of secondary raw materials and industrial waste products stipulated for this purpose must be incorporated in the draft plans and realized.

The implementation of additional intensification and rationalization measures in the available plants is to create rational regional solutions for the recycling of the waste products.

The machine building combines must stipulate appropriate tasks in the draft plans to provide the required machinery and equipment for the processing and use of secondary raw materials.

Unfounded differences in the collection of secondary raw materials from the households of the populace between the kreise must be overcome on the basis of performance comparisons.

The initiatives of the FDJ and of the Ernst Thaelmann Pioneer Organization must be effectively supported.

4. The available material and financial investment means must be effectively used on a priority basis for the rationalization and modernization of the existing basic assets to ensure a high increase in labor productivity while using equipment, processes and workplaces which have high safety standards.

It must be ensured that each investment project rapidly and economically utilizes the most progressive findings of science and technology and that the projects which result from the state plan for science and technology are carried out on a priority basis and with maximum dependability. This involves to an increasing extent the application of effective solutions which, at little investment expenditure through the modernization and rationalization of existing facilities, rapidly ensure a high national economic benefit, primarily as a result of the application of key technologies.

Building and assembly work and deliveries of equipment must be so organized that the projects set forth as state tasks become fully production-effective according to schedule and that the planned expenditures are conformed with. The performance and effectivity targets of the commissioned projects that were confirmed in the decisions on principles must be brought fully to bear on the plan and balances. Such solutions in projects must be worked out which ensure a high scientific-technical standard and a high effectivity of the investment project at minimum building and equipment expenditures.

It is important to achieve maximum effects through the combination of the modernization of the installations, the employment of complementing new equipment, branch-specific rationalization means of microelectronics and robot

technology for comprehensive modernization solutions. Rationalization of production on the basis of modern highly-productive technologies must create the required prerequisites in order to obtain manpower for the multishift utilization of the available and newly-installed machinery and installations within the enterprises and combines. The managers must decide on the necessary measures with the working people and must carefully take into consideration their initiatives and proposals.

The timely utilization of the basic assets, particularly of the high-productive machines and installations, as well as of all power engines and machine tools must be purposefully further enhanced in line with the state tasks for working out the 1988 national economic plan.

The in-house production of rationalization means by the combines must be further improved at a rapid pace and must be made an essential material-technical base for the broad application of key technologies, the most important pillar of the modernization and automation of the production, and thus the technological center for the process of production renewal.

An important and major prerequisite for this is closely linking science and technology in every combine with the in-house production of rationalization means. The share of designers, planners, and technologists as well as of CAD/CAM technical equipment in the production of means of rationalization is to be increased substantially.

In order to provide the equipment which determines the structure of investments that main producers and consumers work out and define measures for stepping up the output of such crucial equipment as machine tools, electro-technical installations, industrial measuring and control technology, surface mining equipment and plants for the generation of electric power, industrial and power plant pipelines, redusting plants, and ventilation and air condition installations.

5. With better performances in consumer goods production in all spheres of the national economy, an attractive range of much demanded quality products is to be provided to ensure the consistent continuation of the course of the main task in its unity of economic and social policy and the development of an economically efficient export.

The production of industrial high-quality consumer products is to be further increased. By the continual application of new scientific-technical findings, the renewal of the production of consumer goods is to be accelerated, the quality is to be improved and the manufacturing costs of the products are to be reduced. The achievements of the key technologies, of microelectronics in particular, are to be applied in newly-developed technical consumer goods so that the population benefits from it. In each combine intensive efforts are to be made to bring about the development and application of such new consumer goods which correspond to the needs of the citizens and the international market requirements and are produced without delay in sufficient quantity. Newly-developed consumer goods that prove their worth are to be produced and provided in sufficient quantity in 1988.

The targets of consumer goods production and of trade in the 1988 national economic plan are to be directed at ensuring the stable supply of the population with goods for everyday consumption, above all with staple foods, products for the care of children, fashion for young people, the 1,000 little things, spare parts, and other basic consumer goods everywhere and at all times. In order to adapt in a better way to the increased demand of the population for consumer goods that meet their requirements, the provisions of high-quality industrial goods, particularly clothes, entertainment electronics, household goods, and goods for housing and leisure time is to be stepped up. To this end, the state tasks of consumer goods production are to be overfulfilled with regard to certain products and assortments according to the guidelines. The manufacture of luxury commodities and foods is to be increased in accordance with the growing demand of the population.

To ensure the continual and stable supply of the population, in preparing the 1988 national economic plan, the agreements between the production and trade enterprises are to be prepared in a conscientious way and to be concluded in due time. New forms of direct contractual relations and cooperation with department stores and other trade facilities are to be utilized.

The efficiency of the consumer goods producing combines and enterprises, particularly of light industry, wood and fancy goods industry, glass and ceramics industry, foodstuffs industry, as well as of the bezirk-administered combines is to be systematically increased through purposeful modernization measures. In these sectors, further possibilities for producing high-quality commodities and the whole range of consumer goods that meet the demands of the population are to be opened up and the great potential of craftsmanship and the talents for imaginative fashion designing are to be utilized in a better way.

Each combine mainly engaged in the manufacture of producer goods faces the task of purposefully proceeding with the creation and expansion of highly efficient capacities for the production of consumer goods. Rationalization and modernization must be used to create the conditions for the production of high-quality consumer goods in larger quantities. More research and development cadres are to be employed in top-quality consumer goods production.

As producers of preliminary goods for consumer goods production, the combines mainly engaged in the manufacture of producer goods must also systematically ensure the availability of working materials and auxiliary materials, supplies from other combines, and cooperation services of high quality and provide high-efficiency machines and equipment for the modernization and technical innovation of consumer goods production.

By further increasing the efficiency of the state-owned service enterprises and by promoting the production cooperatives of the crafts and individual crafts, the services and repairs for supplying the population and the social institutions are to be improved, particularly with regard to quality and variety according to requirement. In textile cleaning the present level is to be maintained and to be further raised; short delivery periods are to be

ensured. The services for maintaining the operativeness and for modernizing long-lived technical consumer goods are to be expanded to a greater extent. More home servicing is to be done in the evening hours and during weekends. The economic services in the towns are to be developed in a way that requirements with regard to environmental protection, cleanliness, hygiene, and order in the towns and villages are met in a better way by the plan. The stable and harmless disposal of solid and liquid wastes from settlements is to be improved.

6. In the construction sector, the construction tasks aimed at strengthening the material-technical basis of the national economy and the consistent implementation of the housing program are to be ensured, the export tasks are to be fulfilled in high quality and efficiency, and the supply of the population with building materials is to be further improved.

Through performance comparison between construction combines and construction enterprises and the generalization of advanced experiences on the basis of top values, particularly those of technological lines and the in-house production of rationalization means, performance reserves are to be opened up and the speed of raising labor productivity is to be increased. The construction expenditure is to be further decreased and the construction times are to be reduced.

By preparing the investments carefully and in due time, together with those placing the orders and the construction and equipment enterprises good conditions for the concentrated and continuous construction are to be created while ensuring full utilization of the working time and building technology in multishift operation. The considerable differences that still exist with regard to the temporal utilization of the building machines are to be eliminated.

The housing program is to be further implemented by the combines and enterprises in the construction sector as a unity of new construction, renovation, modernization, and maintenance of the buildings. The communal facilities required for the care of citizens in residential areas are to be completed according to schedule in keeping with the state quality indicators.

The attractiveness and functioning of the residential areas is to be further increased through the inner-city housing program. The disciplined observance of the state expenditure directive is to be ensured by a particularly careful investment and construction preparation.

In Berlin, a significant contribution to the further development of the GDR's capital is to be made through the continued and accelerated implementation of the housing program and by the realization of other construction projects through construction combines and enterprises from the entire republic. The youth's commitment to performance in the "FDJ Berlin Initiative" and the "Rebuild and Expand" drive are to be promoted and supported in a comprehensive manner.

The fulfillment of the tasks set by the plan for the maintenance and repair of apartments is to be ensured by all kreise, towns and villages. In this connection the existing unjustified differences in the level of productivity and efficiency of the kreis-administered construction enterprises is to be eliminated step by step.

The production structure of the building and prefabrication industry is to be even further adapted to the new demands resulting from the increasing portion of construction measures aimed at renovating, modernizing and repairing the existing valuable building substance.

The facilities of structural projecting are to be developed to a particularly high degree by applying computer-aided systems, so as to be able to prepare the planned building measures in time on this basis with as little expenditure as possible and to carry them out in a concentrated way in the shortest time possible. The CAD solutions that have already been tested and are ready to be applied, are to be made available to all users; the working stations are to be utilized in multishift operation.

The targets for the economical use of material, particularly with regard to rolled steel, sawn timber, and cement are to be implemented by the widely effective application of proven top performances, tested top technologies and rationalization solutions.

Within the framework of the renovation and modernization measures, the quality of the buildings with regard to the economical use of energy is also to be improved. With the aid of microelectronically controlled home terminals and microelectronic regulating devices, and by increasing the production and using high-quality heat insulating materials, a type of construction favorable from the point of view of an economical use of energy is to be comprehensively applied.

In order to bring about the planned cost reduction, costs between the combines and enterprises are to be continuously compared. Further measures for efficiently raising the order and discipline on construction sites are to be taken. Thereby the costs for waste, refishing work, and guarantee services as well as additional costs for stop and waiting periods are to be lowered consistently.

The production processes of the building material industry are to be further rationalized on the basis of domestic raw materials and secondary raw materials and their further refinement as well as the specific reduction of process energy. The development of the products and technologies is to be directed at the improvement of the usability and processing properties, at high quality and constancy, at a reduction of the maintenance costs and at a high heat insulating capacity.

In concrete industry, the production according to requirement and the provision of high-quality reinforced concrete structures that are to replace steel structures--especially in industrial construction and in the transport sector--is to be accelerated.

The available building materials are to be utilized in an effective manner. Above all, losses due to breakage and transportation are to be lowered. Local building material reserves are to be comprehensively used.

The production of building materials and consumer goods--of sophisticated consumer goods in particular--is to be further increased in keeping with the needs of the population for the repair and modernization of apartments and for enjoying leisure time.

7. The development according to plan of agriculture, forestry, and the food-stuffs industry as a productive part of the national economy is aimed at ensuring food supply to the population as the most important contribution to solve the main task, at expanding the domestic raw material basis, at making foreign trade relations effective, at effective reproduction of the environment, and at making an increasing contribution to the national income. On the path of comprehensive intensification it is necessary to develop agriculture even more comprehensively into a branch of applied sciences. For this purpose cooperation of science and practice in organizing top achievements, maximum yields in the fields, and maximum performances in the animal sheds is to be deepened and the best experiences are to be applied in a widespread manner on the basis of comparative performance appraisals. Unjustified differences are to be eliminated more purposefully.

The preparation of the 1988 plan is to be aimed at increasing the production of crop and animal products per hectare by means of demanding targets for the performance and efficiency development in every enterprise more speedily than the input of human and materialized labor. The natural conditions and biological growth factors are to be utilized considerably better. The deepening of cooperation between crop and animal production must be used even more for the performance and efficiency increase in agriculture.

Crop production is to be developed as a priority matter. Through maximum crop production, livestock is to be supplied with fodder from the enterprise's own production in line with the existing structure and in the required quality. By means of comprehensive application of all intensification measures possible maximum yields are to be striven for and stabilized at every location.

In particular, measures to increase soil fertility, amelioration measures that save funds, and measures to observe the agrotechnical dates and to reduce harvest losses are to be planned and consistently implemented.

In order to ensure a stable supply of fruit and vegetables according to plan and in a broad range during the entire year, the natural and economically favorable locations for production and the available funds are to be fully utilized and the programs decided on for fruit and vegetables are to be consistently implemented. To this end, it is to be ensured that projects for the processing of vegetables and fruit are realized according to plan. At the same time the initiatives to create further possibilities for preprocessing and processing in the LPG's, horticultural producer cooperatives, and state farms are to be promoted.

In animal production the planned production increase is to be achieved mostly by means of increasing the production per animal. For this purpose, those responsible for animal production have to organize the efficient livestock reproduction. The measures set down in the maximum-yield concepts to improve the economical use of fodder, to increase breeding results, and to reduce animal losses are to be consistently implemented.

The planned investment projects for maintenance, rationalization, and modernization of animal production facilities are to be linked with a further improvement of the working and living conditions of the animal keepers.

The acceptance and realization of youth projects, in particular for irrigation and grain harvest, in the "Animal Production" FDJ initiative for rationalization and modernization of the animal-sheds and in the "Economical Use of Fodder" FDJ campaign, are to be supported.

The working people in the enterprises of the foodstuffs industry have to store and process the available raw materials with lowest possible losses. While ensuring high efficiency and increasing the degree of refinement, it is especially necessary to improve the structure and the quality of the entire food supply in line with the increasingly differentiated demand and to extend the range of goods. An essential precondition for this is the consistent guarantee of the planned rationalization in the enterprises of the foodstuffs industry.

Forestry has to ensure the supply of rough timber and resin punctually and in the required ranges. In this respect, more attention is to be paid to the care for and protection of forests and to the efficient utilization of broken, dry, and thin timber. The consumer goods production is to be further increased.

The "Healthy Forest" FDJ campaign is to be supported.

8. The measures to protect the natural environment are to be purposefully continued in the interest of improving the people's working and living conditions. Through the utilization of new scientific-technological insight, these measures are to be very closely linked with the regaining of secondary raw materials in order to reduce in this way pollution of air, water, and soil with high economic efficiency.

In order to guarantee the housing program as a priority matter, to further improve the stable and standard-quality supply of drinking water to the population, and to supply industrial water to industry efficiency of the facilities and installations for drinking water supply and waste-water treatment are to be ensured. Through intensification and rationalization, preventive maintenance, and the economical use of water, the goal to ensure the national economic reproduction process with a stable water input is to be reached.

9. Under the leadership of the Ministry of Transport and together with the other branches and sectors of the national economy, concrete measures to further reduce the specific economic transportation input are to be worked out and implemented with the plan. The work to make transportation optimal must be continued in a concentrated manner. Stable transportation chains must be established for selected kinds of goods.

The utilization of transportation facilities is to be improved by fully utilizing the carrying capacity and by continuous use. Fast loading and unloading on all days in three shifts and the careful treatment of transportation equipment in order to avoid damage are to be guaranteed.

Passenger transportation is to be better adjusted to the needs of the population. A focal point is commuter traffic, in particular to the capital city. Its efficiency must be made more attractive and safer for the environment, mainly by further expanding the electric facilities.

In order to improve services for the population, further reserves are to be tapped in the locally-administered transportation sector to further increase car maintenance services for the population.

In order to guarantee the economic demand with regard to passenger and goods transportation, the measures introduced to raise efficiency and stability, in particular in the railroad sector, are to be purposefully continued. Through the application of key technologies to rationalize operations and maintenance of transportation equipment and installations, the capacity and efficiency of the transportation sector is to be increased.

Electrification of railroad tracks is to be continued as an FDJ central project.

The transportation and handling tasks of the GDR's foreign trade and of transit traffic must be fulfilled punctually and with great efficiency.

Railroad ferry traffic between the GDR and the USSR will be increased due to the use of another ferry.

In the posts and telecommunications sector the services for supply to the population and the economy are to be ensured reliably and with higher quality by means of accelerated rationalization of the operating processes. In particular, there is to be guaranteed further improvement in the supply of telephone hook-ups to the population, the possibilities of receiving the GDR's radio and television programs, and service at post office counters. Through the gradual establishment of the automated data network, the possibilities of remote data transmission are to be expanded.

In order to increase efficiency, the available basic assets are to be modernized and used more intensively by greater application of microelectronics and optical fiber technology. In-house production of rationalization means is to be especially developed for this purpose.

10. The preparation of the 1988 national economic plan is to be directed at stably and reliably ensuring the population's supply of basic consumer goods, in particular food, products for children and young people, the "1,000 little things," and all the goods that each family needs every day.

In line with the differentiated demand, the supply of consumer goods with fashionable style, improved utility characteristics, and a high technical standard is to be expanded. This mainly applies to clothes, entertainment electronics, household goods, and products for housing and leisure time.

The policy of stable consumer prices for basic consumer goods, for rents, fees, and services is to be continued according to plan. The development and production of goods in high demand in all price categories and with various designs are to be accelerated. As has been done up to now, consumer prices for new, high-quality goods are to be set in such a way that they generally cover costs and produce the necessary profit for the enterprise and for society. The range of high-quality luxury commodities and foods is to be increased in accordance with the population's demand.

It is necessary to offer goods to the customer in the required ranges and in an attractive way. Attentiveness toward a customer's wishes and friendly service must become the hallmark of good socialist trading. Particular attention is to be paid to a high-quality gastronomic supply, an exemplary supply to the workers, an even higher standard in school meals, and to services in general.

The attractiveness of trade is to be further improved by making use of existing opportunities and of the available material and financial funds.

The FDJ initiative in the trade installations is to be comprehensively promoted, in particular through assigning youth projects. Local councils are responsible for even better coordinating the opening hours of trade installations with the work and shift rhythm of the working people, and they have to see to it that the opening hours are strictly observed.

The supply of fresh goods from domestic production, in particular vegetables, fruit, dairy products, bakery goods, and beverages, is to be organized in such a way that these products are brought to the shops by the shortest, direct way.

In preparing the 1988 national economic plan, cooperation between industry and trade, between agriculture, processing, and trade, as well as the rest of the supply economy is to be shaped in line with new demands and variations. The entire chain of these relations up to the store counter is to be organized even more efficiently, flexibly, and in a more differentiated way. The new forms of direct contractual relations and cooperation with trade installations, combines, and enterprises in which combines and enterprises are directly confronted with the wishes of the customers and adapt their production quickly to the changes in demand are to be further expanded and applied. For this purpose, the work of the cooperative associations in agriculture is to be further developed.

The efficiency of trade is to be further raised, while at the same time working and living conditions are to be improved. Transportation, handling, and storage are to be made more economical through comprehensive intensification of the material-technical base and broad utilization and economical use of science and technology, in particular through the more intensive application of office personnel, and workplace computers in trade enterprises.

In-house production of rationalization means is to be further stepped up. With the help of scientific organization of labor the social work potential is to be used efficiently, thus tapping workforce reserves for purchasing requirements. Costs in trade and trade losses are to be further reduced.

In this connection unjustified differences in the standard of economic results between the enterprises are to be discovered and overcome by means of comparative performance appraisal.

11. The socialist education sector is to be further developed on a qualitatively higher level in line with the requirements of further shaping the developed socialist society. In order to create the necessary lead in education as an important factor of intensification and growth, the communist education of young people, their good preparation for life and work in our society is to be made more effective in a comprehensive way.

In people's education the improvement of socialist general knowledge is to be further developed. The standard of the entire education and training work and the quality of teaching is to be purposefully raised and the polytechnical character of the secondary school is to be further developed.

Basic and advanced training of skilled workers and master craftsmen is to be guaranteed in all economically necessary jobs and technical branches through vocational training. By means of consistent observance of the balance decisions made for the acceptance of school leavers into vocational training, it is to be ensured that all enterprises, cooperatives, and institutions train young skilled workers in the planned vocations. In vocational training the establishment of a network of computer terminals is to be gradually continued. The supply of young people for the military profession is to be ensured.

Advanced training is to be developed as a pillar equal to basic training in order to enable working people to master in time the new work, methods, and conditions resulting from the application of key and high technologies. For this purpose, effective cooperation between the enterprises, combines, training institutions, the Chamber of Technology, and URANIA is to be further developed.

The university and technical school sector has to direct basic and advanced training in particular toward mastering the key technologies.

The universities' and colleges' relations with the combines, which are established on an economic basis, are to be comprehensively expanded. They must serve long-term, forward-looking basic research as well as the achievement of top performances that are in line with the requirements of the national economy and with international scientific-technological development. FDJ Youth Research Collectives are to be increasingly mobilized as a contribution to solving these tasks.

The necessary material-technical conditions are to be ensured in all training institutions through efficient use of the funds and the utilization of the available potentials and facilities, as well as within the framework of the set state plan targets, while strictly adhering to the guiding values, norms, and norm targets.

In continuation of the health policy, basic out-patient and in-patient medical care for all citizens at a high level as well as the further development of preventive health care as a matter for the entire society are to be guaranteed with priority. Health protection for mother and child, as well as care for citizens in need of care and for senior citizens are to be further improved.

Through even closer cooperation between health institutions and state managers and trade unions in the enterprises, health care for the working people is to be further improved. Specialized and highly specialized medical care is to be expanded and qualitatively improved according to plan.

To ensure high-standard out-patient and in-patient medical care for all citizens material and financial funds must be purposefully employed for the modernization, reconstruction and expansion of out-patient and in-patient institutions of the health service. The quality of care for elderly citizens is to be improved through the creation of apartments for the elderly, additional old peoples homes and nursing homes, and through the modernization of existing facilities.

In establishing and renovating medical and dental places for out-patient treatment, places in nurseries and in old peoples and nursing homes, the tasks of comprehensive apartment construction in new housing areas must be ensured in accordance with local and time frame requirements. The nursery system must be further developed according to plan.

Children's and youth sports particularly the Spartakus movement, vocational and recreational sports for working people, as well as exercising, training, and competitive activities must be developed as the most effective form of regular sports activities in order to further promote physical culture and sports.

The available institutions and conditions for physical culture and sports must be utilized more effectively. The material technical base must be improved through reconstruction, modernization, and expansion and through the provision of sports goods.

Children's and youth sports, the Spartakus movement, as well as the work of the GDR's German gymnasts and sports association and of the society of sports and technology must be promoted.

In developing the recreation system the main attention must be focused on reconstructing and modernizing existing facilities, particularly the vacation service of the trade unions and of youth tourism in order to further qualitatively improve the working people's recreation conditions. In doing so, particular attention must be focused on family recreation, particularly for families with several children, on recreation for shift workers, as well as for handicapped citizens.

The material base for children's and youths' vacations and holidays must be further perfected. The reconstruction of the central pioneer camps must be continued according to plan.

Additional reserves for the working people's recreation must be tapped through even better use of the capacity of available facilities.

The contribution of socialist culture and the arts to the development of the personality, to developing creative vigor, and to a meaningful use of leisure time must be further enhanced.

The culture available to the working people must be further improved quantitatively and qualitatively by promoting the artists' and cultural workers' initiatives.

In doing so socialist, realistic, artistic creation must be enriched with new work which help to define the socialist way of life, and the attractiveness of the arts and culture must be further enhanced. Conditions for the early intensive furthering of artistic talents must be further improved for the further development of the arts. Working, living, and studying conditions at the art and cultural-political colleges and technical schools are to be improved according to plan. Additional prerequisites for rich intellectual-cultural life, which is in line with better and better meeting the working people's cultural and artistic needs, must be created in the towns and villages. For this purpose it is important to use suitable institutions for a brisk intellectual-cultural life more effectively.

The financial and material funds provided by the state tasks must be used on a priority basis for reconstruction and modernization measures in existing cultural facilities with the objective of further improving the conditions for cultural leisure activity.

Particular attention is to be devoted to the development of youth's intellectual and cultural life. The reconstruction and creation of new youth club facilities according to plan must be continued with all available means and with the active participation of youths, in order to meet youth's requirements for multifaceted leisure activities and dancing.

The television and radio services must further enhance the effectiveness of their programs to better and better meet the citizens' demands for information, education, and varied entertainment. Reception conditions for radio and television programs must be further improved according to plan.

12. In close alliance with the USSR and the other countries of the socialist community of states tasks must be solved for further deepening the socialist economic integration which results from the long-term programs for the development of cooperation in the field of science, technology, and production, from the Comprehensive Program for Scientific and Technical Progress of the CEMA Countries through the Year 2000, and from the long-term trade agreements.

On the basis of the agreements with the USSR concerning developing direct relations between combines, associations, enterprises and institutions, and concerning the founding of joint collectives of specialists from the two countries, direct cooperation in science and technology must be deepened between combines and their partners in the USSR and must be used even more effectively for solving, in the most expedient way, the tasks agreed upon in the accords and envisaged by the plan.

In working out the 1988 national economic plan economic cooperation with the CEMA countries must be made to further concentrate on application of the key technologies.

The combines, enterprises, and institutions must contribute to solving the agreed tasks with high performances of their own which are in line with the requirement for attaining for international achievements. The process of replacing products must be purposefully carried out on this basis and the requirements of partner countries must be consistently taken as a starting point in setting the assortment of goods for export.

Renewing and setting the assortments must be linked with the increasing effectiveness of exports. In the combines and enterprises of the machine building and electric engineering and electronics industry it is important to effectively step up supplies of final products for which there is great demand and, at the same time, to fully meet the demand for spare parts.

In working out the 1988 National Economic Plan the central state organs, combines, enterprises, and institutions must ensure that implementation of the agreements concluded with the socialist countries is ensured in terms of the envisaged quantities, quality, and according to schedule. By ensuring all the required conditions for a high degree of observance of contracts in meeting delivery obligations, the proper prerequisites must be created for planned imports of raw materials and fuels, and of means of rationalization.

The tasks which result from implementing the investment participation projects must be solved in accordance with the concluded agreements. Important tasks are being accomplished within the framework of the central "Natural Gas Pipeline" youth project.

In exports to the nonsocialist countries it is important to ensure stable sales by means of a high scientific technical standard of export products, by meeting the increasing quality requirements, and by supplying commodities at the contracted times. Product quality, 100-cost production, and flexible marketing must be made the basis of the plans in order to have demanding targets for developing exports with increasing effectiveness.

Scientific-technical cooperation with the developing countries must be developed according to plan in line with the delivery and purchasing potentials of these countries, on the basis of equality of rights and mutual benefit. Trade and economic relations with the capitalist industrial countries are to be developed for mutual benefit, while fully observing equality of rights.

In working out the 1988 national economic plan all measures are to be pursued which ensure the thrifty and effective use of imports from a national economic point of view.

13. Working out the 1988 national plan and state budget must be aimed at using available material and financial funds with maximum effectiveness in all national economic sectors.

Heads of enterprises, cooperatives, and institutions must ensure that additional reserves are tapped through constant analyses of the reproduction process and the elaboration of cost-cutting concepts, and must ensure that the input-output ratio is improved. In order to achieve incisive and lasting results in reducing prime production costs in all combines and enterprises, scientific-technical, technical-organizational, and other measures that can be verified must be set forth in the 1988 plan which underpin the plan targets completely and ensure the unity of material and financial planning.

Those cost indexes that can be influenced must be broken down according to production sectors, departments, and brigades and thus important foundations must be created for comprehensive discussion of the plan with the participation of all working people, and for work with the book of targets and indexes [Haushaltsbuch]. Performance and cost comparisons must be organized between the combines and enterprises, as well as within the enterprises; the experiences of the best must be made general; and unjustified differences in the level of performance or effectiveness must be eliminated.

Effective measures must be set forth to reduce socially unnecessary expenditures, first and foremost by preventing idle time in the loading or unloading of railroad cars, by sanctions for excess current funds, and by costs for rejects, repair work, and work under warranty clauses.

II. [Roman Two]

In working out the 1988 national economic plan and state budget, decisions on perfecting the management, planning and economic cost accounting must be so implemented that the principle of democratic centralism is consistently asserted through the strengthening of central state management and planning and the enhancement of the economic units' and regional organs' own responsibility.

1. The management, planning, and economic cost accounting must create all the required prerequisites for deepening the intensively enlarged reproduction and for putting it on a durable basis. Of basic importance is the implementation of the adopted measures for the application of the principle of self-financing in order to better coordinate the relationship between services to society and the supply of funds by that society. On the basis of the plan the combines are thus deciding on their own responsibility for a large portion of the investments for the strengthening of the material-technical base, the main coverage source of which is the in-house manufacture of rationalization means. Significant stimuli for enhancing performance and effectiveness must spring from all this. A more rational management of all input factors and purposeful reductions in costs and stocks must create those economic means which will favorably affect the future performance growth in the combines by means of intensively expanded reproduction.

2. In working out the plan performance, comparisons must be purposefully used as the basic method of political guidance of economic processes. Through

constant verification of input and output, comparison with the achievements of the best as well as through the utilization of their experiences, a markedly improved effect of science and technology and a high quality of products must be achieved. Productivity and effectivity reserves must be tapped and the input of live and materialized labor must be consistently reduced. By doing so each combine must make a high contribution to the national economic result and the volume of the national economically distributable final product must be significantly increased.

3. In working out the 1988 national economic plan and state budget, the local state organs must ensure by their work the solution of the crucial tasks of the national economy in the production sectors which they administer directly, primarily in agriculture and in bezirk-managed industry, as well as in the kreis-administered building industry.

On the basis of a further strengthening of the bezirk-administered combines, available facilities must be purposefully rationalized and modernized. Specific agreements must be concluded with central-administered combines to obtain technological assistance.

It is of a decisive national economic importance to create all the required regional prerequisites for central key projects of production and for scientific-technical projects. The comprehensive use of all the opportunities of regional rationalization constitutes a main road toward fulfilling the statewide and local political tasks of the local state organs. This rationalization must first and foremost effectively support the quick translation of scientific-technical findings into the production.

Through the result-oriented team work of the combines, enterprises, cooperatives and institutions among themselves and with the local state organs, the local reproduction conditions and reserves must be tapped with the objective of promoting the accelerated application of scientific-technical findings, of better exploiting the basic assets available in the region, of keeping them in good repair and modernizing them, of stepping up production while cutting the material and power input, and of developing the citizens' working and living conditions according to plan.

4. A major task of the kreise in cooperation with the combines and enterprises consists of winning over additional working people for shift work and in heeding social concerns from the very beginning when it is introduced. This applies first and foremost to measures for mothers with children, commuter traffic, and assignment of housing space to shift workers on a priority basis, shift-oriented opening times of stores and service institutions, as well as enriching the intellectual, cultural, and sports activities.

5. In the combines and enterprises preparation of the 1988 national economic plan and the 1988 state budget is to be concentrated on the economically efficient effect of science and technology, on accelerating the growth of labor productivity, and on an increased, distributable final product with good quality and improved utility values. The set state tasks, including the norms

and norm targets based on the balance sheets, are to be consistently observed and purposefully overfulfilled. On the basis of the material balance sheets, the combines have to coordinate--in keeping with their national economic responsibility--the interlacing and cooperation relations with the pre- and post-production stages, and have to ensure the preparation and concluding of economic contracts. Decisions necessary to secure high production performances in 1988 are to be thoroughly prepared and made in an unbureaucratic way at the levels responsible for these decisions:

--Decisions within the combine are to be made by the director general on site.

--Decisions on main questions of contents that go beyond the sphere of the combines are to be made by the responsible minister after joint deliberations with the directors general and the State Planning Commission.

--In agreement with the combines' directors general, joint work groups of the central state organs and the combines can be established. This applies in particular to important specific tasks, which are of fundamental significance for the overall economic development and go beyond the combines' sphere of decision.

6. In close cooperation with the leaderships of the enterprise party organizations, the trade unions, and the FDJ, the managers in the combines, enterprises, cooperatives, and institutions have to explain to the work collectives the itemized state tasks for 1988, including the tasks for the development of the working and living conditions. They have to create all preconditions for the working people's creative, democratic participation in the preparation of the plan. It is to be ensured that the working people in each enterprise department and brigade, in each work and trade union collective express their opinions on the state tasks in the comprehensive plan discussion in time, and are able to put forth their ideas, conclusions, and proposals. This corresponds to the principle "Participate in planning, working, and governing."

State and economic managers are obligated to comprehensively utilize the proposals and suggestions for fulfilling and overfulfilling the plan targets.

Socialist teamwork, the innovators movement, and the Fair of the Masters of Tomorrow Movement as effective factors of socialist rationalization must be oriented toward the focal tasks. The innovators and rationalizers, as well as the enterprise sections of the Chamber of Technology are to receive concrete scientific-technological and economic tasks and targets.

The FDJ Youth Research Collectives are to be actively integrated into the preparation of demanding targets and tasks for research and development. They are to be given tasks from the science and technology plan which set them particularly high performance demands.

The managers are responsible for seeing that all proposals, suggestions, and critical remarks are taken into consideration, are studied, and are implemented in line with the social requirements and possibilities. All competition initiatives as well as the recommendations put forth in trade union statements and in FDJ proposals are to be carefully evaluated, to be used for the fulfillment and product-specific overfulfillment of the targets and accepted pledges of the 1987 plan, and to be considered as a basis for the preparation of the 1988 draft plan and the 1988 enterprise collective agreement.

The SED Central Committee Politburo, the GDR Council of Ministers, and the FDGB National Executive Council are convinced that with their proposals in the plan discussion for the preparation of the 1988 national economic plan, with their industrious work, initiatives, and energy, the GDR working people will create decisive preconditions for the consistent implementation of the decisions of the 11th SED congress.

This is an important contribution to consolidating the international positions of socialism, to detente, disarmament, and to improving the international situation.

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CSO: 2300/303

GOVERNMENT REPORTS ON ECONOMIC LOSSES IN WINTER

LD052344 Warsaw PAP in English 0102 GMT 5 Jun 87

[Text] Warsaw, 4 Jun--The economy sustained significant losses as a result of production difficulties last winter, according to information supplied by the Government Press Bureau on the functioning of the economy in the first quarter of this year with special attention given to the negative consequences of the extremely harsh winter.

In the chemical and light industries the losses totalled 16.5 billion zlotys in the first quarter of the year, that is 2 percent of the quarterly plan. This drop in production affected the performance of other branches of industry which base on chemicals. It will be possible to make up for a portion of the losses.

In metallurgy the delays oscillate between 1.4 percent (coke) and 13 percent (lead). In the machine industry the overall amount of losses is estimated at 2.7 billion zlotys.

The scale of difficulties experienced by the maritime economy is best illustrated by the fact that the ice-breaking operation lasted from January 6 to April 7. Ships had to stay in port for prolonged periods. Losses sustained as a result of this are estimated at 150 million zlotys. At the same time the fall in transport capacities cost the Polish commercial fleet over 1 billion zlotys. Fishery also incurred losses (800 million zlotys) as well as ship-repair yards (2 billion zlotys).

The whole national economy sustained losses of approximately 85 billion zlotys last winter. These reached 50 billion in industrial output. In transport, communication and the municipal economy additional costs amounting to 35 billion zlotys were incurred.

Catching up with the delays in output is possible in a majority of plants till the end of the first half of the year. Undertakings of enterprises aimed at the most thrifty management, especially fuel- and energy-saving, will be of a decisive significance.

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CSO: 2020/112

STEELWORKS, MINISTRY CLASH OVER FINANCIAL, PRODUCTION NEEDS**Situation of 'Poko' Steelworks Described**

Warsaw TRYBUNA LUDU in Polish 10 Apr 87 p 3

[Article by Stanislaw Zielinski: "Shutdown the Steelmaking Plant or Liquidate the Entire Steelworks?"]

[Text] It is completely understandable that in this matter the viewpoints of the enterprise involved--Poko Steelworks, and its parent organ, the Ministry of Metallurgy and Machine Industry, differ. Anyway, this is not the only case in which small- and large-scale interests do not agree. But this time we must clearly ask: Why, and for whom, must production be profitable at any price?

Poko Steelworks is almost 150 years old and its glory days are long past. It has been operating at a loss since 1975. In 1986 it lost its credit rating and was on the brink of bankruptcy. Before the bank accepted the "recovery" program presented to it, other enterprises from outside the sector came to its assistance, thus the steelworks was able to continue to pay its bills. But this was an extremely painful experience.

The question is, who in the steelworks was to blame, and how much?

After all, the process of restructuring production towards processing had hardly begun and already it was stopped. And so Poko constantly swings between the old and the new. What the cold-bending shapes, welded shapes and structures departments, the medium-section rolling mill and the forging shop, earn, is not enough to cover the losses of the large furnaces, the plate mill, and above all, the steelmelting shop.

How Near to Bankruptcy?

Thus the program for the enterprise's recovery, submitted to the bank, consisted of three main courses of action: reducing the operations of the departments operating at a loss, producing profitable products, and increasing exports.

And it was not just a "paper" program. Last year's figures bore that out. The plan for sold production was fulfilled with a surplus of approximately 5 billion zlotys. And export grew from 1.3 billion zlotys in 1985 to 3.3 billion zlotys.

There is no doubt, either in the bank or in the steelworks, that this program is a good one and should be implemented with full consistency. And here is where the problem begins. As of 1 January 1987 the steelmelting shop in Pokoj, its biggest loser, should have been shut down.

But the parent organ will not permit this and requires the steelworks to produce 220,000 tons of steel this year because the country's economy requires it.

It Cannot Be Done Any Cheaper!

Pokoj Steelworks is indisputably the country's most expensive producer of steel. Actually, because of the abstract prices, there is really no metallurgical plant which could make money on this production, but Pokoj loses the most. How much? Last year it lost 8,000 zlotys on each ton, and it produced 280,000 tons.

Meanwhile, everything points to the fact that this year this disparity between the actual costs of production and the sales price of the steel will grow even larger.

Could not the steelworks produce steel more cheaply, reducing its own losses and still reconciling the interests of the enterprise with those of the country?

The management, the workers' council, and the party organization, attempted to do this many times, but unfortunately, without success.

If, in addition to their own raw material, they had their own coking plant and thus had their own coke and gas obtained at their own cost? Or scrap from a shape mill? And if they did not have to melt killed steel, which not only is the most costly but also dominates in production?

After all, the sintering plant, the coking plant, the mixer furnace, the rolling mill complex--the reversing mill, breakdown mill and heavy-section mill--and two open-hearth furnaces, all of this had been previously liquidated or prepared for shutdown because the steelworks was to convert to a new type of processing. With such drastic reductions, can a steelworks operate optimally and without additional costs?

But production losses in the steelmaking shop are only one side of the coin. There is also another side. Immediately after liberation, our neighboring miners demanded the "black wealth" under the Pokoj Steelworks, and this was even before Professor Budryk was able to disseminate his method of exploiting coal deposits from safety pillars. The results are not hard to imagine. Because of mining damage, work safety in the steelmaking plant is endangered. On 8 September 1986 the labor inspector ordered that this department be shut

down as of 4 January 1987 or brought to a state which would guarantee the safety of the workforce. The management appealed to the District Labor Inspectorate but the previous order remained in force.

According to the best authorities, this "bringing the steelmaking plant to the desired state" would cost at least 2 billion zlotys, without any guarantee, of course, that the damage will not continue to occur!
Invest and... Lose?

Should we "sink" such huge amounts of money in a department which is unprofitable and has no future? The people in Pokoj are not indifferent to the needs of the country, nevertheless they are in favor of liquidating, or, in reality, speeding up the liquidation of the steelmaking plant. They say that they have a program by which they can get the steelworks out of the hole and that they will be more useful to the national economy that way than as candidates for bankruptcy.

--We do not want pity or any special treatment, says the managing director of the steelworks, Dr Henryk Kunik. All we ask is that our parent organ help us. It is no secret that in other steelworks, which produce steel more cheaply, production capacity is not always fully utilized. Perhaps we could make use of some of this capacity?...

The proposal seems to be a crude one because it is not profitable for any steelworks. But when we look at it from the standpoint of the economy and society as a whole?

If in Pokoj 8,000 zlotys has to be added to every ton of steel--let us remember--and elsewhere only 2,000 zlotys, then there is a savings of 6,000 zlotys times 220,000 tons...

--And we? We--adds the head of the steelworks--in transferring people from the steelmaking plant to other departments, would be able to produce an additional 45,000 tons of both scarce and profitable rolled products. We will also not be using approximately 52,000 tons of fuel oil used each year in the steelmaking plant and imported for foreign exchange. And this should be profitable to everyone.

Ministry Official Defends Position

Warsaw TRYBUNA LUDU in Polish 10 Apr 87 p 3

[Interview with Undersecretary of State in Ministry of Metallurgy and Machine Industry, Andrzej Ruzsarski, by Tadeusz Jaworski]

[Text] [Question] Was the conflict between the position of the management of Pokoj Steelworks and its parent organ necessary?

[Answer] No, had the management of the steelworks implemented the provisions of government resolution No 71, dated 1984. This resolution was aimed at maintaining the production of steel in the amount required by the country until the next steel line in Katowice Steelworks was started up. The parent

organ must safeguard the interests of the entire economy and cannot agree to the withdrawal from production of certain departments without economic justification, but--I repeat--as it pertains to the country as a whole, and not just the enterprise.

[Question] In this case did the interests of the country and the enterprise differ?

[Answer] Of course. According to the National Annual Plan (NAP) for 1987 the processing industry was to receive 12,300 thousand rolled products. For this, about 17,000 thousand tons of steel is needed. Pokoj Steelworks is also included in the plan for the production of steel. It is supposed to produce 220,000 tons. This amount was established after consultation with the plant and familiarization with its economic and technical status. The methods by which the technical efficiency of the equipment were to be maintained were also established.

[Question] Therefore, it was assumed that steel production in this works would be unprofitable?

[Answer] Sometimes, in some plants, steelmaking is not profitable.

[Question] But in some steelworks less and in others more. Pokoj Steelworks is one of the most unprofitable, insofar as steel production is concerned.

[Answer] The import of steel or rolled products would be much more unprofitable. And here is where the conflict between the plant and the country lies. The parent organ must be guided by the primary good. In some cases it is better for us to subsidize unprofitable domestic production than be forced to import, especially from the capitalist countries.

[Question] But does the pressure on the plant have to be of an administrative nature? Under reform, cost effectiveness and the principle of the self-dependence of plants should be the deciding factors.

[Answer] Subsidization is not an administrative action and furthermore, may I remind you about the law on state enterprises, which provides that organizations in the national economy must take all necessary measures to execute the tasks contained in the socioeconomic plans. The steelworks cannot convert to other production from one day to the next.

If Pokoj Steelworks stops producing steel and other steelworks, most of which are not better off, do not make up these losses, then it, too, will bear the consequences. It will not have the steel to cover its own needs. And this is not administrative action, but economic action. The amount of steel not produced by Pokoj, planned for 1987, will cause a shortfall of 190,000 tons of rolled products. This would mean that production in the processing industry would be reduced by an equivalent of 250 billion zlotys, or that it would be necessary to import rolled products equivalent to \$45 million.

In short, to provide the amount of rolled-product production that the country needs, as envisaged in the 1987 NAP and the National Socioeconomic Plan to 1990, maintenance of steel production in Pokoj is critical.

[Question] Even if the safety of the steelworkers is involved?

[Answer] The District Labor Inspectorate has permitted the steelmaking plant in Pokoj to remain in operation to the end of the year. That was the last decision, made at the proposal of the Pokoj Steelworks. The safety of the workers is paramount. The point is that the attempts to shut down the steelmaking plant in Pokoj apply to earlier deadlines, despite the fact that the management of Pokoj has known since 1984 that production will have to continue until the steel line in Katowice Steelworks is started up. Therefore, they should safeguard it from every standpoint, including the safety of its employees.

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When this material was already ready for publication we received a telex from the director of Pokoj Steelworks, Dr Henryk Hunik, in which he reports that the District Labor Inspectorate has issued a decision permitting the steelmaking plant to operate conditionally until the end of 1987. The director suggests that we not publish the article because... "it will not have a basic influence on a change in the situation of the production of steel in the steelworks this year."

It is hard to agree with this line of reasoning because the problem pertains to more than just this year. Let us remember that the steelmaking plant in the Katowice Steelworks, which is supposed to replace the one in Pokoj, will be started up after 1990. Therefore, the problem continues and we would like to know how it will be solved for the future and not for just right now.

Other considerations also speak for publishing this material. The conflict between the workplace and the parent organ is typical at a time when our industry is being restructured. There will be more such situations; we already have reports on other such cases. We must therefore learn to reconcile the interests of the workplaces with the interests of the country. But this cannot take place by administrative orders. Indeed, we must always remember that the principles of reform have not ceased to exist and will not cease to be in effect. The example of the conflict between Pokoj Steelworks and the Ministry of Metallurgy and Machine Industry and--let us hope--how it is solved, may protect others from similar conflicts. That is why we have published this.

9295

CSO: 2600/569

OPZZ 'ALTERNATIVE ECONOMIC PROGRAM' REVIEWED

Theses, Critical Discussion Described

Warsaw POLITYKA in Polish No 17, 25 Apr 87 p 3

[Article by Joanna Solska: "OPZZ Expert Opinion: Let It Be Different"]

[Text] "Society should be given the alternative of either continuing the present policy of small steps and doubtful successes or drastically changing the previous economic policy. What is needed is acceleration bringing about the prospects for real improvement in the economy. This acceleration will require revolutionary conceptual changes."

This is a quotation from a document entitled: "Alternative Economic Concept," the work of experts of the All-Polish Trade Union Agreement. It is to serve as the starter for a trade union discussion on the second stage of the reform.

At the outset the authors give vent to deep dissatisfaction with the situation as it exists. They say that after a few years (1982-1984) of satisfactory dynamics of improvement in the economy, the following years and the long-range prospects described by the National Socioeconomic Plan, or NPSG, have become a period in which there are increasing imbalances between the state of the economy and the expectations of the society.

Diagnosis

The diagnosis of the current state is severe and critical: "The effectiveness of public health, transportation, the municipal economy, housing, trade, education, and the post office, which go together to make up the quality of daily life, is disturbingly low. The housing problem in urban areas is becoming dangerously large."

There is over-investment in areas that solidify structural backwardness (for example, capital-intensive mines, segments of agriculture that are low in market-oriented production and effectiveness), while at the same time there is under-investment and decapitalization of sectors that ought to be growing the most rapidly. The central economic administration is governing enterprises in a manner which cannot be reconciled with the principles of the reform. No

automatic regulators of economic activity have been set in motion. The system of central distribution of resources is operating in a manner which is not very flexible. It is not being guided by considerations of economic effectiveness. It permits branch and regional pressure groups to exploit their influence. Under these conditions, it is not surprising that mechanisms for rationalized management, thrifty use of resources, and increases in production profitability and export have not been created. There are not effective antimonopolistic actions either. Nor is there any real technical progress. Product quality is declining. Hard currency exports are dropping.

Ineffective units are not being eliminated. They are being protected by an overdeveloped system of subsidies and the price-setting structure, based on a costly price formula. The losses borne by ineffective producers are being covered out of taxes levied on efficient producers and out of price increases striking the population's pocketbooks.

The price-income policy is destabilizing the economy and accelerating inflation. It does not provide for lasting market equilibrium. It fuels the wage and income race. Therefore, the future is dawning as a lasting stagnation of current economic activity at an unsatisfactory level. The experts are anticipating a catastrophic failure based on the worsening foreign trade situation and the gradual extinction of whole under-invested branches of the economy.

Ways Out

The trade union document says that we must change the structure of the economy quickly. Where are the resources to come from? "From a strict monitoring of central investments thrust into the plans through the efforts of branch pressures." First of all, fuel and energy investments should be cut. Instead of mine construction, coal should be saved through the implementation of new technologies that reduce power consumption.

A stop should also be put to the economy-destroying process of inflationary price and income increases, and, if ruthless measures are necessary, they should not be shunned. The experts propose, within the framework of stabilizing actions, that we begin with freezing food prices and simultaneously increasing luxury goods, especially those which are the subject of speculation or conventional rationing through coupons and vouchers.

Increased taxation, including confiscation, of fortunes with no legal justification will also surely help achieve equilibrium. There should also be a change in the policy of cheap credit, tax exemptions, and supply prices for the nonsocialized economy. Proper ratios between the earnings of employees of the socialized economy and those in the private sector can be restored by imposing them from above. Collective arrangements, among other things, are to do this.

Prices should be set at the central level. The scope of their free structuring will be expanded the moment inflationary and monopolistic trends disappear, but in the next section the experts reject official intervention in the functioning of agricultural markets, saying that wholesale procurement

price increases should not exceed free market prices for agricultural productions, because this limits progress in agricultural productivity. How can this be reconciled with freezing food prices?

The document emphasizes that the general economic reorientation cannot be entrusted to institutions and persons responsible for the present state of affairs. It also admits that the attainment of economic acceleration may require certain victims within society. For this reason it is essential to make the concept being realized one that inspires trust. Rapid success in housing construction could create this trust.

Quick and Demagogic

During a discussion of the document by the OPZZ economic committee, Jerzy Pucula said that the document was quick and demagogic. It creates the impression that a change of government is the remedy for everything. He also noted that at present, most industrial goods are luxury items, not because of their utilitarian qualities, but because they are so difficult for most of the society to get their hands on. If once again we suddenly raise the prices on them, few people will be able to afford them. Therefore, the pressures will increase on the food market. The concept presented does not answer the question of how to provide for a suitable increase in food market production. It does not tell how to eliminate ineffective farms in our situation either. There are 3 million of them, and none of them is going bankrupt. But social commissions would allocate scarce tractors and other equipment not to those who use them most effectively, but to those who have been waiting the longest. This is to be fair.

Other parties to the discussion also noted other important inconsistencies. How can the demand for economic effectiveness be reconciled with the declaration that workplaces will build housing, hospitals, and schools? Maciej Namicki noted that after all they should be engaged solely in production.

The price increase is not a source of inflation but a reflection of it, according to another speaker. There are several sources: the bad structure of industry, in which most employees are producing nonconsumer items. Others are the great debt, poor product quality, and the unprofitability of certain exports. On the other hand, restructuring is a lengthy, very expensive process.

Prof Czeslaw Bobrowski, who had been invited to the meeting, said that the document is at best a point of departure for drafting the next one. It is a collection of slogans, correct ones and unrealistic ones. He could not agree either with its authors' view that the 3 years of the reform had been good, because important mistakes were made right away. For example, it was too bad not to have cut fuel and energy investments right then, because today there is already another dimension, and for all these years no real progress has been made on the issue of saving energy.

We cannot talk about building up an efficient system of administration either, because there is none. Professor Bobrowski admitted that he did not manage to

achieve an efficient system of administration during the several years he ran the Economic Consultation Council. It would be a good thing, if it were possible, for example, through eliminating ministries, but while to combine five ministries into one would perhaps free a few rooms or cars and provide insignificant payroll savings, in that ministers would become deputy ministers, their way of operating would not change. That means, this is not the issue.

It is also not true that one can count on achieving equilibrium without price changes. To freeze food prices would actually require a reduction in wages. How would you do this? The equal evil that cost-based prices have become is the result of nothing other than the protest against conventional prices.

Anatol Wasiljew asked several important questions. The document implies that the trade unions are opting for hard rules of play based on economic effectiveness. What are the real consequences for society? What sort of tasks are implied for the trade union movement? What will its role be? And what sort of responsibility will it bear for the success or failure of this undertaking?

In summing up it was stated that the document is very good, because it evoked a stormy discussion. Now it will be worked over (to make it cohesive) and distributed to union members. OPZZ is not anticipating an echo from economists. It is only interested in hearing from working people. In passing, the International Monetary Fund was called the enemy of working people, whom it exploits, grabbing everything for its coffers. Therefore, not too much should be expected from it.

Contradictions Noted in OPZZ Statements

Warsaw PRAWO I ZYCIE in Polish No 20, 16 May 87 pp 3, 4

[Article by Piotr Ambroziewicz: "Criticism, But Is There an Alternative?"]

[Text] I was courageous enough to risk the statement that with the exception of a period of several months at the end of 1980 and the beginning of 1981, during Poland's entire history the trade unions had never expressed public opinion to the extent they are doing so today. And this is because of our hole in the head, the economic reform, and that is the reason behind the whole drama, because today if union members ask Polish citizens what they associate first of all with the reform, it is difficult to count on getting any answer besides: "Price increases."

Trade union members did not conduct a poll. They have their own channels: the federations and thousands of plant organizations and millions of members who express themselves in this spirit. The answers full of distrust for the reform that the Center for Public Opinion Research received from the people they polled may have various sources, but these answers surely do not testify to any satisfaction with the results of the reform up until now. This is especially true of household budget improvement. And it had seemed that while it had not been rosy before, at least things were relatively all right.

"The years 1982-1986 produced important political, social, and institutional changes. After a profound social crisis in 1980-1981, the Polish state emerged strengthened, because there had been a beginning of the processes of the renewal of socialist democracy and the creative building of better foundations for a society of the future," the trade unionists' statement says.

"The satisfactory dynamics of improvement in the economy were accompanied by the successful development of the country's political relations only during the initial period (1982-1984). It was just when the conditions were objectively the most difficult, as the result of the collapse of 1980-1981 and the economic blockade of 1982, that the drive to reform the economy was set in motion. A decline in production and consumption was averted. It was possible to insure that exports exceeded imports. It was possible to make working people's conditions approach those of normal daily life."

This is how it actually was. To put it into common language, things got better, and by the nature of things, appetites also increased, but it is worth mentioning (and this is no longer the remarks of the trade unionists) that the worse the point of departure is out of a situation that is not very normal, the easier success is once it is made normal. If we start with the moment when there is a shortage of everything (from matches and flour to vinegar, jam, cigarettes, and so on), then it is not all that difficult to make up for this type of shortage by freeing up industry that has been shut down, for example, through strikes. Therefore, it seemed as though we were going quickly, but we were not.

It was not without reason that I said about the shutdowns "for example, through strikes," because if the strikes were to blame for everything, then after they ceased we should have become a relatively prosperous country. Meanwhile, we suffered from the following:

1. Debts from what we called the "Gierek years," which, on the one hand, brought us closer to the modern world, but, on the other hand, as a result of the tremendous burden of debt, cruelly pushed us further away from it;
2. Burdensome restrictions;
3. Internal disorder when had lessened but still was considerable, combined with Poles' major faults, which made it impossible for us to spread our wings.

And here is the place to ask the question about whether, despite all the objective difficulties we heard and read about, the reform created the conditions for this. Probably not. The great people of the Polish economic world labor over the answer, over a synthesis. Some say that yes, of course, we did everything we could and will continue to do so, during the second stage of the reform. Others say that the reform is going at half steam, because the whistle is to blow during the second half. There are even questions about when the first stage of the reform will really begin, to say nothing of the end of it and the beginning of the second half.

Hurts Named Perfectly

This all shows beautifully how people are free to express various views, but it does not advance us much toward the desired state of affairs: to satisfy the market, to stop inflation, and to set the real ratios between work and wages, and so on. The trade unionists see the present state of affairs without limits. They say that the years 1985-1986 and the prospects drawn by the National Socioeconomic Plan for 1986-1990 are a period of growing imbalances between the state of the economy and justified expectations of society, and between the functioning stage of the economic mechanism and the one desired. Improvement in the economy is no longer accompanying beneficial changes in the political situation, a particular example of which is the rebuilding of the vocational movement. Awareness of this situation and a critical assessment of the competence and effectiveness of those offices responsible for the economy are becoming social facts. Then when the professional community points out the inconsistency in reforming the economy and the errors in the structural investment, price and income, and fiscal policy, working people formulate their own views on the basis of the many concrete matters and phenomena that are disturbing them.

The state of services is having a terrible impact on the life of Poles. The administration is sometimes ineffective. Transportation is miserable everywhere. The mail, commerce, education, and public health has not only been increasing our thrills for years, but it is getting worse from year to year, which the officials can see, but do not know how to fix. On the subject of the housing shortage, the OPZZ people say that this is a bomb with a fuse that has already been lit. True, there are programs. It is just that there are no apartments.

The OPZZ document, called "Alternative Concept for Carrying Out the Assumptions of the Economic Reform" faultlessly names all the irritations.

"Working people do not understand or accept the entirely unjustified increases in income and consumption differences between representatives of different social groups. They are angry over the fortunes created through speculation and corruption while the veterans of work, for example, are becoming poorer. They are tired of the endless increases..."

"The low level of collective and individual consumption is generally felt to be a continual material degradation of our society within a Europe that is developing rapidly. It is difficult to understand why a country like Poland, which is objectively so rich and has an energetic, educated society, is falling further and further behind countries which even recently were considered poor and backward..."

"Working people as a whole know well, from their own daily activity on the job, the tremendous untapped reserves for improving productivity, making better use of outlays, economizing, and increasing production and exports. Through their own reduced earnings they also know the results of excessive production interruptions caused by irregular supply and poor management."

Who Is to Make the Repairs

We cannot ignore these words. This is the resultant opinion from the ranks of the trade union membership, 7 million strong. On the other hand, it is obvious that it is far easier to criticize and to gain society's applause for taking an uncompromising stand than to present your own program for getting out of a crisis situation.

And so the unions warn us that it is not theirs to repair the Republic.

"The implementation of the guiding assumptions of the party's economic policy is the duty of the government, which ought to present clear, socially bearable content to develop the slogan of the second stage of the economic reform." First of all "a courageous, wise vision" is necessary, and then appropriate solutions need to be adapted to it. The trade unions do not have such a vision and talk about the tactic of "waiting it out."

Let us be frank: These are all generalizations. Quick generalizations. But what about the concrete? There are also concrete things, contained, it is true, in only two points, but they are key.

"1. There is the forcing of irrational structural priorities. There is over-investment in sectors that make structural backwardness permanent (for example, capital-intensive mines, segments of agriculture which are ineffective or have a low rate of market production), while there is the simultaneous under-investment and decapitalization of sectors which should be developed the most quickly. The overextended central investments front is undermining discipline to carry them to completion and is making the situation on the labor and money markets worse. Existing firms which can insure a rapid increase in export and production effectiveness, modern technologies, and improvement in the market situation also lack funds for their own undertakings.

"2. The economic administration often administers socialized enterprises in a manner that cannot be reconciled with the principles of the reform. Economic legislation (such as taxation principles) undergoes incessant changes and modifications. This makes rational planning in the enterprises impossible.

"No automatic regulators of economic activity have been mobilized. The system of central resource distribution does not operate with great flexibility. It is not directed by considerations of economic effectiveness. It permits branch and regional pressure groups to exploit their influence. Under the new conditions, this system operates in the old manner, which helps make the entire economy's low level of effectiveness permanent and favors supply shortages and irregular production schedules."

In addition, the trade unionists think that two ministries, the Ministry of Labor, Wages, and Social Affairs, and the Ministry of Finance, are running the whole economy by granting various sorts of tax and wage privileges and exemptions.

For understandable reasons, wages occupy a special place of interest for OPZZ, and this component has been criticized, because "the form and content of the price and income policy is particularly faulty...

"This policy is destabilizing the economy and accelerating inflation. It does not provide for lasting market balance. It sets the wage and income race in motion. It devastates the labor market and relations. It helps further the growth of pretentious attitudes that have nothing in common with socialist ideals or even with the order proper for a country that is well run. As a result, the weaknesses of running socialized enterprises are accompanied by a decline in morale, the dignity of work, and social commitment to the issue of increased effectiveness."

We are supposedly the poorest country in Europe (according to the statistics available). Claims that food in Poland is cheap are wrong. It is among the most expensive, in relative terms. OPZZ says: "Never again on such a scale!" But it recalls that the elimination of meat rationing cards would cause increases in meat prices amounting to from 60 to 70 percent, according to today's assessments. Who could stand it, if we assume that real income will increase by about 1 percent per year over the next few years?

The unions have a rather interesting view of the possibilities for resolving this dilemma, a market economy that is crude but somehow clean. The monopolistic procurement structure should be broken up. Sales centers should be set up, not a few in a couple of voivodships, but 1,000's. Buy directly from the producer. The fruit and vegetable market proves that this sort of solution causes money to be convertible for meat within limits which are entirely reasonable, but here too it is necessary to combat intermediaries, who dictate prices that are too high.

This would be a great experiment. Will it possibly succeed? Hard to say. At any rate, we need to strive for natural selection of farms. The worst ones should decline (just as enterprises go bankrupt), and the best should expand and provide richer market offerings. Industry is waiting for the farmers from the bankrupt farms. There are far too many people in our country engaged in food production, with results that are poor.

On the labor issue, since we are discussing it, from the beginning the unions are decided (because although there are opinions, there are not proposals, after all) in their opposition to unemployment as an aid to discipline. Changes in the structure of employment are another matter.

"Changes in the structural policy can be compared to the painful but necessary amputation of part of the body to provide an opportunity for the whole body to continue to live. These changes will surely be felt keenly by some sociovocational groups and various people who identify with these groups. The alternative is solidarity in the degradation of the situation of all of society, including the groups which keep their privileged status for the time being. This is why structural changes must not be opposed. Structural changes, like the elimination of ineffective enterprises, can create temporary local problems related to the rational employment of people who have lost their old jobs. It is the absolute duty of the state, which will have

accumulated adequate funds for the purpose, to be concerned for the proper utilization of personnel and to insure that they have the conditions for maintaining the level of earnings they have achieved. The trade unions will be strict and absolute in protecting the interests of workers from closed plants."

It Reads Well

The "Alternative" reads well and is smooth going down, but after a closer look at the matter and the hearing of additional opinions, the inconsistencies are noticeable. For example, the issue of luxury goods. On the threshold of the 21st Century, automobiles, automatic washing machines, and freezers should not be luxuries. At the same time, we heard at a recent trade union press conference that their prices should provide for balance on the market. That means go up considerably.

This inconsistency was explained this way: Up until the time that there is a plentiful supply of such goods, their prices should be higher, because the ordinary citizen cannot afford such luxuries (sic!).

Excessive income must be eliminated, up to and including confiscation. We recall a special tax ("lex Jaroszewicz") from the 1970's, and what did it do? Are the unions to take on the functions of procurators and numerous committees and commissions for such audits?

The explanations in this material were somewhat confusing.

To what extent do the proposals and postulates of the OPZZ "Alternative" coincide with the principles of the second stage of the reform? The answer to this question coming from Kopernik Street (Agreement headquarters) was frank: "At the moment we do not know whether it would coincide 5 percent or 40 percent."

10790

CSO: 2600/595

CHANGES IN HARD CURRENCY RETENTION ACCOUNT SYSTEM VIEWED

Warsaw ZYCIE GOSPODARCZE in Polish No 17, 26 Apr 87 p 3

[Article by Arkadiusz Kaminski: "Why the Foreign-Exchange Allowances"]

[Excerpts] The only fundamental change that has been introduced recently in the system of running foreign trade is a new regulation on foreign-currency allowances. The modification has also given rise to a great deal of emotion, owing to the instrument's significant role in supporting export as an important source for import purchases.

The introduction of the new regulations did not come as a surprise to the exporting enterprises. Since 1985 a process has been developing which led in 1986 to a breakdown in the foreign exchange allowance system. What caused this system to collapse? Have the new regulations solved all the problems that have been hampering the operation of the allowances in the past? Do the new regulations fit the assumptions adopted by the reform?

I think that the essential factors behind the breakdown in the system in 1986 were the following:

Clear divergence on the part of the material plan (CPR, or central annual plan) and the related payment plan with its actual implementation. The changes made in the direct import plan and the resolutions and decisions failed to take into account the actual condition of our coffers and the payment plan ratios adopted. The moment the central plan for imports exceeded the capabilities implied by cash flows, mechanisms of tender offers and declarations began to operate.

The treatment of foreign-exchange currency allowances as one other element in the distribution of foreign exchange and considering the "means to accomplish allowances" to be of secondary importance. The group which decided to distribute free-currency in the economy had nobody to speak on behalf of the interests of the exporting enterprises. General economic interests and the interests of the ministries predominated.

The great expansion of the range of goods purchases from ROD without their being any simultaneous link between it and an increased flow of funds from the central pool.

The conduct of trade policy that increased the scope of cashless trade, including bound transactions, which caused a shrinking of the pool of cash resources for essential imports of supplies and the execution of purchases from the allowances.

Making the policy of management of ROD funds by those holding ROD dependent on the demand (supplementary, capital, and assembly imports) and their ability to obtain foreign exchange from other sources.

The experience of 1982-1985 showed that the increase of income for ROD, tied to the gradual rise in their utilization, could create a situation where a sudden rise in demands for payment could "put us in a jam."

1987 Foreign Exchange Allowances

I do not think that a large proportion of the above-mentioned causes of the crisis in the system of supply have lost their timeliness in 1987. At the end of 1986 and the beginning of 1987 the execution of overdue payment obligations exceeded the country's payment capabilities. It therefore became necessary to find a general solution to the question of overdue and growing demands for payment, and certain steps were taken which were to ease the drastic blockade of funds. The new regulations implement the postulate long advocated by the enterprises, that the calculation of foreign exchange allowances be shifted from data accounting to the accounting of assets. Since 1987, an enterprise which has exported goods for cash will be able within 3 months to buy back part of the funds allocated to it at the rate of exchange, thereby gaining the right to own the funds and the assurance of using them, but practice shows that the assurance of utilization has been and is being decided not by the bank but by the body making the decisions about distribution of foreign exchange currency derived from export income.

A basic problem has occurred in the case of settling export transactions made in clearing. In this situation the exporting enterprise, which practically speaking has no great influence over the method of payment -- this is determined by the foreign trade unit, the foreign customer, international agreement, the position of Polish exports on a given market, and the product being exported -- gains smaller foreign exchange benefits. The spirit of the principles adopted calls for the enterprise to then gain the possibility of import clearing, up to the amount determined by the rate of the foreign exchange or cash import up to half the adopted rate (in practice up to 80 percent). This may cause or does cause justified fears that many enterprises will get out of clearing export, and here there is the risk that they will lose interest in exports altogether.

Getting back to the most nagging problem of overdue payment demands and frozen balances for informational accounting, it must be noted that the worst possible solutions have been adopted, because the setting aside of reported sums undercuts the credibility of the whole system of decentralized foreign currency supply and reform in foreign trade. There are also other uncertainties here:

Will treasury bills be mobilized successively, in the spirit of the principle "a little of everything," or will there be a "preferential list"?

In 10 years will the amount of frozen balances have the same incentive force as today?

Will the economy be able to designate tens of millions of dollars from the modest pool of hard currency to create new outstanding assets allowances?

The years 1987-1995 will be exceptionally difficult. In this period the economy must prove its effectiveness. At the same time, this period will have the strongest tensions in the balance of payments in the entire history of the Polish People's Republic.

The problem of the principles of setting the rates for allowances has probably been overlooked in the new design because of the fear of introducing any greater confusion. It seems paradoxical to expand the scope of types of purchases to be made out of ROD funds while at the same time lowering the rate to 20 percent. This shows not only this solution's lack of internal logic but also the fragility of the concept of basing the rates on the current import intensiveness index. On the other hand, the way the above-mentioned changes are being implemented is reminiscent of the directive distribution methods. ([Footnote]: It is difficult to understand this type of behavior compared to the targets of the National Socioeconomic Plan, or NPSG, which provides for tying the allowances rates to export effectiveness.)

There are a great many other questions and doubts besides the above-mentioned defects in the design of the allowances. I would like to mention just a few of them:

The accumulation of funds for assets accounting and operations conducted using them must take into account the risk resulting from the changes in the currency rates and the changes in the rate of the zloty to those currencies, and in this event the problem of risk and the party bearing it comes up.

It does not seem correct to create possibilities for spending ROD funds for purchases in internal export. Foreign exchange allowances were to have been an instrument to develop "external" export, not an antiimport instrument. The intention of the law was to have been to eliminate irrational imports of domestically produced goods which are also exported, but the only truly effective solution to this problem is to introduce balance on the market of supply into the prices.

Maintaining the principle of individual rates of foreign currency allowances which do not even correspond to the import-intensiveness of export production generates the fear whether there will be an adequate supply of foreign exchange on the market that is supposed to appear of funds accumulated for assets accounting of allowances for units of the socialized economy.

ROD Versus the Reform

Are foreign exchange allowances an ultimate solution of the economic reform, or are they a temporary solution?

At the enterprise level, a standard for measuring the effectiveness of resource utilization, including that for foreign exchange, is, or should be, the financial result. This is a component which is very often overlooked in the formulation of systems solutions and normative documents. The postulate of maximizing profits reflects the reform's general concept of introducing effectiveness components into management. Failure to respect this principle or restriction of the financial result's role through the widespread adoption of subsidies and supplements for production and export are actually making the effects achieved independent of the outlays, and as a result the financial result is distorted and has an adverse influence on export and import decisions.

Another standard of measurement to introduce discipline into the enterprises' utilization of foreign exchange might be to link the right of access to foreign exchange (gained from export or acquired on the principle of purchasing foreign-exchange at the bank) to the amount of income from export.

Past and present systems solutions have not provided adequate foundations for rational utilization of resources in the economy or, above all, for their rational allocation. Neither supply prices, rates of exchange nor interest rates are factors for maintaining or restoring balance. The consequence of solutions of this type has been and is the maintenance of extensive regulation. Only under these conditions, foreign exchange allowances have become a valuable trump card. They have permitted an enterprise to break out of the central distribution system. They have been an incentive that has a powerful impact, one that often is far greater than "guaranteed" profit, but this instrument too is proving faulty.

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